

1 AMENDMENT TO SENATE BILL 1601

2 AMENDMENT NO. _____. Amend Senate Bill 1601, AS AMENDED,
3 immediately below the enacting clause, by inserting the
4 following:

5 "ARTICLE 5"; and

6 in the introductory clause of Section 3, by replacing
7 "Section 3" with "Section 5-3"; and

8 in the introductory clause of Section 5, by replacing
9 "Section 5" with "Section 5-5"; and

10 in the introductory clause of Section 10, by replacing
11 "Section 10" with "Section 5-10"; and

12 by replacing Section 99 with the following:

13 "ARTICLE 801

14 GENERAL PROVISIONS

15 Section 801-1. Short Title. Articles 80 through 845 of
16 this Act may be cited as the Illinois Finance Authority Act.
17 References to "this Act" in Articles 801 through 845 are
18 references to the Illinois Finance Authority Act.

1 Section 801-5. Findings and declaration of policy. The
2 General Assembly hereby finds, determines and declares:

3 (a) that there are a number of existing State authorities
4 authorized to issue bonds to alleviate the conditions and
5 promote the objectives set forth below; and to provide a
6 stronger, better coordinated development effort, it is
7 determined to be in the interest of promoting the health,
8 safety, morals and general welfare of all the people of the
9 State to consolidate certain of such existing authorities
10 into one finance authority;

11 (b) that involuntary unemployment affects the health,
12 safety, morals and general welfare of the people of the State
13 of Illinois;

14 (c) that the economic burdens resulting from involuntary
15 unemployment fall in part upon the State in the form of
16 public assistance and reduced tax revenues, and in the event
17 the unemployed worker and his family migrate elsewhere to
18 find work, may also fall upon the municipalities and other
19 taxing districts within the areas of unemployment in the form
20 of reduced tax revenues, thereby endangering their financial
21 ability to support necessary governmental services for their
22 remaining inhabitants;

23 (d) that a vigorous growing economy is the basic source
24 of job opportunities;

25 (e) that protection against involuntary unemployment, its
26 economic burdens and the spread of economic stagnation can
27 best be provided by promoting, attracting, stimulating and
28 revitalizing industry, manufacturing and commerce in the
29 State;

30 (f) that the State has a responsibility to help create a
31 favorable climate for new and improved job opportunities for
32 its citizens by encouraging the development of commercial
33 businesses and industrial and manufacturing plants within the
34 State;

1 (g) that increased availability of funds for construction
2 of new facilities and the expansion and improvement of
3 existing facilities for industrial, commercial and
4 manufacturing facilities will provide for new and continued
5 employment in the construction industry and alleviate the
6 burden of unemployment;

7 (h) that in the absence of direct governmental subsidies
8 the unaided operations of private enterprise do not provide
9 sufficient resources for residential construction,
10 rehabilitation, rental or purchase, and that support from
11 housing related commercial facilities is one means of
12 stimulating residential construction, rehabilitation, rental
13 and purchase;

14 (i) that it is in the public interest and the policy of
15 this State to foster and promote by all reasonable means the
16 provision of adequate capital markets and facilities for
17 borrowing money by units of local government, and for the
18 financing of their respective public improvements and other
19 governmental purposes within the State from proceeds of bonds
20 or notes issued by those governmental units; and to assist
21 local governmental units in fulfilling their needs for those
22 purposes by use of creation of indebtedness;

23 (j) that it is in the public interest and the policy of
24 this State to the extent possible, to reduce the costs of
25 indebtedness to taxpayers and residents of this State and to
26 encourage continued investor interest in the purchase of
27 bonds or notes of governmental units as sound and preferred
28 securities for investment; and to encourage governmental
29 units to continue their independent undertakings of public
30 improvements and other governmental purposes and the
31 financing thereof, and to assist them in those activities by
32 making funds available at reduced interest costs for orderly
33 financing of those purposes, especially during periods of
34 restricted credit or money supply, and particularly for those

1 governmental units not otherwise able to borrow for those
2 purposes;

3 (k) that in this State the following conditions exist:

- 4 (i) an inadequate supply of funds at interest rates
5 sufficiently low to enable persons engaged in agriculture in
6 this State to pursue agricultural operations at present
7 levels; (ii) that such inability to pursue agricultural
8 operations lessens the supply of agricultural commodities
9 available to fulfill the needs of the citizens of this State;
10 (iii) that such inability to continue operations decreases
11 available employment in the agricultural sector of the State
12 and results in unemployment and its attendant problems; (iv)
13 that such conditions prevent the acquisition of an adequate
14 capital stock of farm equipment and machinery, much of which
15 is manufactured in this State, therefore impairing the
16 productivity of agricultural land and, further, causing
17 unemployment or lack of appropriate increase in employment in
18 such manufacturing; (v) that such conditions are conducive to
19 consolidation of acreage of agricultural land with fewer
20 individuals living and farming on the traditional family
21 farm; (vi) that these conditions result in a loss in
22 population, unemployment and movement of persons from rural
23 to urban areas accompanied by added costs to communities for
24 creation of new public facilities and services; (vii) that
25 there have been recurrent shortages of funds for agricultural
26 purposes from private market sources at reasonable rates of
27 interest; (viii) that these shortages have made the sale and
28 purchase of agricultural land to family farmers a virtual
29 impossibility in many parts of the State; (ix) that the
30 ordinary operations of private enterprise have not in the
31 past corrected these conditions; and (x) that a stable supply
32 of adequate funds for agricultural financing is required to
33 encourage family farmers in an orderly and sustained manner
34 and to reduce the problems described above;

1 (l) that for the benefit of the people of the State of
2 Illinois, the conduct and increase of their commerce, the
3 protection and enhancement of their welfare, the development
4 of continued prosperity and the improvement of their health
5 and living conditions it is essential that all the people of
6 the State be given the fullest opportunity to learn and to
7 develop their intellectual and mental capacities and skills;
8 that to achieve these ends it is of the utmost importance
9 that private institutions of higher education within the
10 State be provided with appropriate additional means to assist
11 the people of the State in achieving the required levels of
12 learning and development of their intellectual and mental
13 capacities and skills and that cultural institutions within
14 the State be provided with appropriate additional means to
15 expand the services and resources which they offer for the
16 cultural, intellectual, scientific, educational and artistic
17 enrichment of the people of the State;

18 (m) that in order to foster civic and neighborhood pride,
19 citizens require access to facilities such as educational
20 institutions, recreation, parks and open spaces,
21 entertainment and sports, a reliable transportation network,
22 cultural facilities and theaters and other facilities as
23 authorized by this Act, and that it is the best interests of
24 the State to lower the costs of all such facilities by
25 providing financing through the State; and

26 (n) that to preserve and protect the health of the
27 citizens of the State, and lower the costs of health care,
28 that financing for health facilities should be provided
29 through the State; and it is hereby declared to be the policy
30 of the State, in the interest of promoting the health,
31 safety, morals and general welfare of all the people of the
32 State, to address the conditions noted above, to increase job
33 opportunities and to retain existing jobs in the State, by
34 making available through the Illinois Finance Authority,

1 hereinafter created, funds for the development, improvement
2 and creation of industrial, housing, local government,
3 educational, health, public purpose and other projects; to
4 issue its bonds and notes to make funds at reduced rates and
5 on more favorable terms for borrowing by local governmental
6 units through the purchase of the bonds or notes of the
7 governmental units; and to make or acquire loans for the
8 acquisition and development of agricultural facilities; to
9 provide financing for private institutions of higher
10 education, cultural institutions, health facilities and other
11 facilities and projects as authorized by this Act; and to
12 grant broad powers to Illinois Finance Authority to
13 accomplish and to carry out these policies of the State which
14 are in the public interest of the State and of its taxpayers
15 and residents.

16 Section 801-10. Definitions. The following terms,
17 whenever used or referred to in this Act, shall have the
18 following meanings, except in such instances where the
19 context may clearly indicate otherwise:

20 (a) The term "Authority" means the Illinois Finance
21 Authority created by this Act.

22 (b) The term "project" means an industrial project,
23 housing project, public purpose project, higher education
24 project, health facility project, cultural institution
25 project, agricultural facility or agribusiness, and "project"
26 may include any combination of one or more of the foregoing
27 undertaken jointly by any person with one or more other
28 persons, but "project" shall not include any facility used or
29 to be used for sectarian instruction or as a place of
30 religious worship nor any facility which is used or to be
31 used primarily in connection with any part of the program of
32 a school or department of divinity for any religious
33 denomination or the training of ministers, priests, rabbis or

1 other professional persons in the field of religion.

2 (c) The term "public purpose project" means any project
3 or facility including without limitation land, buildings,
4 structures, machinery, equipment and all other real and
5 personal property, which is authorized or required by law to
6 be acquired, constructed, improved, rehabilitated,
7 reconstructed, replaced or maintained by any unit of
8 government or any other lawful public purpose which is
9 authorized or required by law to be undertaken by any unit of
10 government.

11 (d) The term "industrial project" means the acquisition,
12 construction, refurbishment, creation, development or
13 redevelopment of any facility, equipment, machinery, real
14 property or personal property for use by any instrumentality
15 of the State or its political subdivisions, for use by any
16 person or institution, public or private, for profit or not
17 for profit, or for use in any trade or business including,
18 but not limited to, any industrial, manufacturing or
19 commercial enterprise and which is (1) a capital project
20 including but not limited to: (i) land and any rights
21 therein, one or more buildings, structures or other
22 improvements, machinery and equipment, whether now existing
23 or hereafter acquired, and whether or not located on the same
24 site or sites; (ii) all appurtenances and facilities
25 incidental to the foregoing, including, but not limited to
26 utilities, access roads, railroad sidings, track, docking and
27 similar facilities, parking facilities, dockage, wharfage,
28 railroad roadbed, track, trestle, depot, terminal, switching
29 and signaling or related equipment, site preparation and
30 landscaping; and (iii) all non-capital costs and expenses
31 relating thereto or (2) any addition to, renovation,
32 rehabilitation or improvement of a capital project or (3) any
33 activity or undertaking which the Authority determines will
34 aid, assist or encourage economic growth, development or

1 redevelopment within the State or any area thereof, will
2 promote the expansion, retention or diversification of
3 employment opportunities within the State or any area thereof
4 or will aid in stabilizing or developing any industry or
5 economic sector of the State economy. The term "industrial
6 project" also means the production of motion pictures.

7 (e) The term "bond" or "bonds" shall include bonds, notes
8 (including bond, grant or revenue anticipation notes),
9 certificates and or other evidences of indebtedness
10 representing an obligation to pay money, including refunding
11 bonds.

12 (f) The terms "lease agreement" and "loan agreement"
13 shall mean: (i) an agreement whereby a project acquired by
14 the Authority by purchase, gift or lease is leased to any
15 person, corporation or unit of local government which will
16 use or cause the project to be used as a project as
17 heretofore defined upon terms providing for lease rental
18 payments at least sufficient to pay when due all principal
19 of, interest and premium, if any, on any bonds of the
20 Authority issued with respect to such project, providing for
21 the maintenance, insuring and operation of the project on
22 terms satisfactory to the Authority, providing for
23 disposition of the project upon termination of the lease
24 term, including purchase options or abandonment of the
25 premises, and such other terms as may be deemed desirable by
26 the Authority, or (ii) any agreement pursuant to which the
27 Authority agrees to loan the proceeds of its bonds issued
28 with respect to a project or other funds of the Authority to
29 any person which will use or cause the project to be used as
30 a project as heretofore defined upon terms providing for loan
31 repayment installments at least sufficient to pay when due
32 all principal of, interest and premium, if any, on any bonds
33 of the Authority, if any, issued with respect to the project,
34 and providing for maintenance, insurance and other matters as

1 may be deemed desirable by the Authority.

2 (g) The term "financial aid" means the expenditure of
3 Authority funds or funds provided by the Authority through
4 the issuance of its bonds, notes or other evidences of
5 indebtedness or from other sources for the development,
6 construction, acquisition or improvement of a project.

7 (h) The term "person" means an individual, corporation,
8 unit of government, business trust, estate, trust,
9 partnership or association, 2 or more persons having a joint
10 or common interest, or any other legal entity.

11 (i) The term "unit of government" means the federal
12 government, the State or unit of local government, a school
13 district, or any agency or instrumentality, office, officer,
14 department, division, bureau, commission, college or
15 university thereof.

16 (j) The term "health facility" means: (a) any public or
17 private institution, place, building, or agency required to
18 be licensed under the Hospital Licensing Act; (b) any public
19 or private institution, place, building, or agency required
20 to be licensed under the Nursing Home Care Act; (c) any
21 public or licensed private hospital as defined in the Mental
22 Health and Developmental Disabilities Code; (d) any such
23 facility exempted from such licensure when the Director of
24 Public Health attests that such exempted facility meets the
25 statutory definition of a facility subject to licensure; (e)
26 any other public or private health service institution,
27 place, building, or agency which the Director of Public
28 Health attests is subject to certification by the Secretary,
29 U.S. Department of Health and Human Services under the Social
30 Security Act, as now or hereafter amended, or which the
31 Director of Public Health attests is subject to
32 standard-setting by a recognized public or voluntary
33 accrediting or standard-setting agency; (f) any public or
34 private institution, place, building or agency engaged in

1 providing one or more supporting services to a health
2 facility; (g) any public or private institution, place,
3 building or agency engaged in providing training in the
4 healing arts, including but not limited to schools of
5 medicine, dentistry, osteopathy, optometry, podiatry,
6 pharmacy or nursing, schools for the training of x-ray,
7 laboratory or other health care technicians and schools for
8 the training of para-professionals in the health care field;
9 (h) any public or private congregate, life or extended care
10 or elderly housing facility or any public or private home for
11 the aged or infirm, including, without limitation, any
12 Facility as defined in the Life Care Facilities Act; (i) any
13 public or private mental, emotional or physical
14 rehabilitation facility or any public or private educational,
15 counseling, or rehabilitation facility or home, for those
16 persons with a developmental disability, those who are
17 physically ill or disabled, the emotionally disturbed, those
18 persons with a mental illness or persons with learning or
19 similar disabilities or problems; (j) any public or private
20 alcohol, drug or substance abuse diagnosis, counseling
21 treatment or rehabilitation facility, (k) any public or
22 private institution, place, building or agency licensed by
23 the Department of Children and Family Services or which is
24 not so licensed but which the Director of Children and Family
25 Services attests provides child care, child welfare or other
26 services of the type provided by facilities subject to such
27 licensure; (l) any public or private adoption agency or
28 facility; and (m) any public or private blood bank or blood
29 center. "Health facility" also means a public or private
30 structure or structures suitable primarily for use as a
31 laboratory, laundry, nurses or interns residence or other
32 housing or hotel facility used in whole or in part for staff,
33 employees or students and their families, patients or
34 relatives of patients admitted for treatment or care in a

1 health facility, or persons conducting business with a health
2 facility, physician's facility, surgicenter, administration
3 building, research facility, maintenance, storage or utility
4 facility and all structures or facilities related to any of
5 the foregoing or required or useful for the operation of a
6 health facility, including parking or other facilities or
7 other supporting service structures required or useful for
8 the orderly conduct of such health facility.

9 (k) The term "participating health institution" means a
10 private corporation or association or public entity of this
11 State, authorized by the laws of this State to provide or
12 operate a health facility as defined in this Act and which,
13 pursuant to the provisions of this Act, undertakes the
14 financing, construction or acquisition of a project or
15 undertakes the refunding or refinancing of obligations,
16 loans, indebtedness or advances as provided in this Act.

17 (l) The term "health facility project", means a specific
18 health facility work or improvement to be financed or
19 refinanced (including without limitation through
20 reimbursement of prior expenditures), acquired, constructed,
21 enlarged, remodeled, renovated, improved, furnished, or
22 equipped, with funds provided in whole or in part hereunder,
23 any accounts receivable, working capital, liability or
24 insurance cost or operating expense financing or refinancing
25 program of a health facility with or involving funds provided
26 in whole or in part hereunder, or any combination thereof.

27 (m) The term "bond resolution" means the resolution or
28 resolutions authorizing the issuance of, or providing terms
29 and conditions related to, bonds issued under this Act and
30 includes, where appropriate, any trust agreement, trust
31 indenture, indenture of mortgage or deed of trust providing
32 terms and conditions for such bonds.

33 (n) The term "property" means any real, personal or mixed
34 property, whether tangible or intangible, or any interest

1 therein, including, without limitation, any real estate,
2 leasehold interests, appurtenances, buildings, easements,
3 equipment, furnishings, furniture, improvements, machinery,
4 rights of way, structures, accounts, contract rights or any
5 interest therein.

6 (o) The term "revenues" means, with respect to any
7 project, the rents, fees, charges, interest, principal
8 repayments, collections and other income or profit derived
9 therefrom.

10 (p) The term "higher education project," means, in the
11 case of a private institution of higher education, an
12 educational facility to be acquired, constructed, enlarged,
13 remodeled, renovated, improved, furnished, or equipped, or
14 any combination thereof.

15 (q) The term "cultural institution project," means, in
16 the case of a cultural institution, a cultural facility to be
17 acquired, constructed, enlarged, remodeled, renovated,
18 improved, furnished, or equipped, or any combination thereof.

19 (r) The term "educational facility" means any property
20 located within the State constructed or acquired before or
21 after the effective date of this Act, which is or will be, in
22 whole or in part, suitable for the instruction, feeding,
23 recreation or housing of students, the conducting of research
24 or other work of a private institution of higher education,
25 the use by a private institution of higher education in
26 connection with any educational, research or related or
27 incidental activities then being or to be conducted by it, or
28 any combination of the foregoing, including, without
29 limitation, any such property suitable for use as or in
30 connection with any one or more of the following: an academic
31 facility, administrative facility, agricultural facility,
32 assembly hall, athletic facility, auditorium, boating
33 facility, campus, communication facility, computer facility,
34 continuing education facility, classroom, dining hall,

1 dormitory, exhibition hall, fire fighting facility, fire
2 prevention facility, food service and preparation facility,
3 gymnasium, greenhouse, health care facility, hospital,
4 housing, instructional facility, laboratory, library,
5 maintenance facility, medical facility, museum, offices,
6 parking area, physical education facility, recreational
7 facility, research facility, stadium, storage facility,
8 student union, study facility, theatre or utility. An
9 educational facility shall not include any property used or
10 to be used for sectarian instruction or study or as a place
11 for devotional activities or religious worship nor any
12 property which is used or to be used primarily in connection
13 with any part of the program of a school or department of
14 divinity for any religious denomination.

15 (s) The term "cultural facility" means any property
16 located within the State constructed or acquired before or
17 after the effective date of this Act, which is or will be, in
18 whole or in part, suitable for the particular purposes or
19 needs of a cultural institution, including, without
20 limitation, any such property suitable for use as or in
21 connection with any one or more of the following: an
22 administrative facility, aquarium, assembly hall, auditorium,
23 botanical garden, exhibition hall, gallery, greenhouse,
24 library, museum, scientific laboratory, theater or zoological
25 facility, and shall also include, without limitation, books,
26 works of art or music, animal, plant or aquatic life or other
27 items for display, exhibition or performance. The term
28 "cultural facility" includes buildings on the National
29 Register of Historic Places which are owned or operated by
30 nonprofit entities. A cultural facility shall not include any
31 property used or to be used for sectarian instruction or
32 study or as a place for devotional activities or religious
33 worship nor any property which is used or to be used
34 primarily in connection with any part of the program of a

1 school or department of divinity for any religious
2 denomination.

3 (t) "Private institution of higher education" means a not
4 for profit educational institution which is not owned by the
5 State or any political subdivision, agency, instrumentality,
6 district or municipality thereof, which is authorized by law
7 to provide a program of education beyond the high school
8 level and which:

9 (1) Admits as regular students only individuals
10 having a certificate of graduation from a high school, or
11 the recognized equivalent of such a certificate;

12 (2) Provides an educational program for which it
13 awards a bachelor's degree, or provides an educational
14 program, admission into which is conditioned upon the
15 prior attainment of a bachelor's degree or its
16 equivalent, for which it awards a postgraduate degree, or
17 provides not less than a 2-year program which is
18 acceptable for full credit toward such a degree, or
19 offers a 2-year program in engineering, mathematics, or
20 the physical or biological sciences which is designed to
21 prepare the student to work as a technician and at a
22 semiprofessional level in engineering, scientific, or
23 other technological fields which require the
24 understanding and application of basic engineering,
25 scientific, or mathematical principles or knowledge;

26 (3) Is accredited by a nationally recognized
27 accrediting agency or association or, if not so
28 accredited, is an institution whose credits are accepted,
29 on transfer, by not less than 3 institutions which are so
30 accredited, for credit on the same basis as if
31 transferred from an institution so accredited, and holds
32 an unrevoked certificate of approval under the Private
33 College Act from the Board of Higher Education, or is
34 qualified as a "degree granting institution" under the

1 Academic Degree Act; and

2 (4) Does not discriminate in the admission of
3 students on the basis of race, color or creed. "Private
4 institution of higher education" also includes any
5 "academic institution".

6 (u) The term "academic institution" means any not for
7 profit institution which is not owned by the State or any
8 political subdivision, agency, instrumentality, district or
9 municipality thereof, which institution engages in, or
10 facilitates academic, scientific, educational or professional
11 research or learning in a field or fields of study taught at
12 a private institution of higher education. Academic
13 institutions include, without limitation, libraries,
14 archives, academic, scientific, educational or professional
15 societies, institutions, associations or foundations having
16 such purposes. Academic institution does not include any
17 school or any institution primarily engaged in religious or
18 sectarian activities.

19 (v) The term "cultural institution" means any not for
20 profit institution which is not owned by the State or any
21 political subdivision, agency, instrumentality, district or
22 municipality thereof, which institution engages in the
23 cultural, intellectual, scientific, educational or artistic
24 enrichment of the people of the State. Cultural institutions
25 include, without limitation, aquaria, botanical societies,
26 historical societies, libraries, museums, performing arts
27 associations or societies, scientific societies and
28 zoological societies. Cultural institution does not include
29 any institution primarily engaged in religious or sectarian
30 activities.

31 (w) The term "affiliate" means, with respect to financing
32 of an agricultural facility or an agribusiness, any lender,
33 any person, firm or corporation controlled by, or under
34 common control with, such lender, and any person, firm or

1 corporation controlling such lender.

2 (x) The term "agricultural facility" means land, any
3 building or other improvement thereon or thereto, and any
4 personal properties deemed necessary or suitable for use,
5 whether or not now in existence, in farming, ranching, the
6 production of agricultural commodities (including, without
7 limitation, the products of aquaculture, hydroponics and
8 silviculture) or the treating, processing or storing of such
9 agricultural commodities when such activities are customarily
10 engaged in by farmers as a part of farming.

11 (y) The term "lender" with respect to financing of an
12 agricultural facility or an agribusiness, means any federal
13 or State chartered bank, Federal Land Bank, Production Credit
14 Association, Bank for Cooperatives, federal or State
15 chartered savings and loan association or building and loan
16 association, Small Business Investment Company or any other
17 institution qualified within this State to originate and
18 service loans, including, but without limitation to,
19 insurance companies, credit unions and mortgage loan
20 companies. "Lender" also means a wholly owned subsidiary of a
21 manufacturer, seller or distributor of goods or services that
22 makes loans to businesses or individuals, commonly known as a
23 "captive finance company".

24 (z) The term "agribusiness" means any sole
25 proprietorship, limited partnership, co-partnership, joint
26 venture, corporation or cooperative which operates or will
27 operate a facility located within the State of Illinois that
28 is related to the processing of agricultural commodities
29 (including, without limitation, the products of aquaculture,
30 hydroponics and silviculture) or the manufacturing,
31 production or construction of agricultural buildings,
32 structures, equipment, implements, and supplies, or any other
33 facilities or processes used in agricultural production.
34 Agribusiness includes but is not limited to the following:

1 (1) grain handling and processing, including grain
2 storage, drying, treatment, conditioning, mailing and
3 packaging;

4 (2) seed and feed grain development and processing;

5 (3) fruit and vegetable processing, including
6 preparation, canning and packaging;

7 (4) processing of livestock and livestock products,
8 dairy products, poultry and poultry products, fish or
9 apiarian products, including slaughter, shearing,
10 collecting, preparation, canning and packaging;

11 (5) fertilizer and agricultural chemical
12 manufacturing, processing, application and supplying;

13 (6) farm machinery, equipment and implement
14 manufacturing and supplying;

15 (7) manufacturing and supplying of agricultural
16 commodity processing machinery and equipment, including
17 machinery and equipment used in slaughter, treatment,
18 handling, collecting, preparation, canning or packaging
19 of agricultural commodities;

20 (8) farm building and farm structure manufacturing,
21 construction and supplying;

22 (9) construction, manufacturing, implementation,
23 supplying or servicing of irrigation, drainage and soil
24 and water conservation devices or equipment;

25 (10) fuel processing and development facilities that
26 produce fuel from agricultural commodities or
27 by-products;

28 (11) facilities and equipment for processing and
29 packaging agricultural commodities specifically for
30 export;

31 (12) facilities and equipment for forestry product
32 processing and supplying, including sawmilling
33 operations, wood chip operations, timber harvesting
34 operations, and manufacturing of prefabricated buildings,

1 paper, furniture or other goods from forestry products;

2 (13) facilities and equipment for research and
3 development of products, processes and equipment for the
4 production, processing, preparation or packaging of
5 agricultural commodities and by-products.

6 (aa) The term "asset" with respect to financing of any
7 agricultural facility or any agribusiness, means, but is not
8 be limited to the following: cash crops or feed on hand;
9 livestock held for sale; breeding stock; marketable bonds and
10 securities; securities not readily marketable; accounts
11 receivable; notes receivable; cash invested in growing crops;
12 net cash value of life insurance; machinery and equipment;
13 cars and trucks; farm and other real estate including life
14 estates and personal residence; value of beneficial interests
15 in trusts; government payments or grants; and any other
16 assets.

17 (bb) The term "liability" with respect to financing of
18 any agricultural facility or any agribusiness shall include,
19 but not be limited to the following: accounts payable; notes
20 or other indebtedness owed to any source; taxes, rent;
21 amounts owed on real estate contracts or real estate
22 mortgages; judgments; accrued interest payable; and any other
23 liability.

24 (cc) The term "Predecessor Authorities" means those
25 authorities as described in Section 845-75.

26 (dd) The term "housing project" means a specific work or
27 improvement undertaken to provide residential dwelling
28 accommodations, including the acquisition, construction or
29 rehabilitation of lands, buildings and community facilities
30 and in connection therewith to provide nonhousing facilities
31 which are part of the housing project, including land,
32 buildings, improvements, equipment and all ancillary
33 facilities for use for offices, stores, retirement homes,
34 hotels, financial institutions, service, health care,

1 education, recreation or research establishments, or any
2 other commercial purpose which are or are to be related to a
3 housing development.

4 Section 801-15. There is hereby created a body politic
5 and corporate to be known as the Illinois Finance Authority.
6 The exercise of the powers conferred by law shall be an
7 essential public function. The Authority shall consist of 15
8 members, who shall be appointed by the Governor, with the
9 advice and consent of the Senate. Upon the appointment of the
10 Board and every 2 years thereafter, the chairperson of the
11 Authority shall be selected by the Governor to serve as
12 chairperson for two years. Appointments to the Authority
13 shall be persons of recognized ability and experience in one
14 or more of the following areas: economic development,
15 finance, banking, industrial development, small business
16 management, real estate development, housing, health
17 facilities financing, local government financing, community
18 development, venture finance, construction and labor
19 relations. At the time of appointment, the Governor shall
20 designate 5 members to serve until the third Monday in July
21 2005, 5 members to serve until the third Monday in July 2006
22 and 5 members to serve until the third Monday in July 2007.
23 Thereafter, appointments shall be for 3-year terms. A member
24 shall serve until his or her successor shall be appointed and
25 have qualified for office by filing the oath and bond.
26 Members of the Authority shall not be entitled to
27 compensation for their services as members, but shall be
28 entitled to reimbursement for all necessary expenses incurred
29 in connection with the performance of their duties as
30 members. The Governor may remove any member of the Authority
31 in case of incompetence, neglect of duty, or malfeasance in
32 office, after service on him of a copy of the written charges
33 against him and an opportunity to be publicly heard in person

1 or by counsel in his own defense upon not less than 10 days'
2 notice. From nominations received from the Governor, the
3 members of the Authority shall appoint an Executive Director
4 who shall be a person knowledgeable in the areas of financial
5 markets and instruments, to hold office for a one-year term.
6 The Executive Director shall be the chief administrative and
7 operational officer of the Authority and shall direct and
8 supervise its administrative affairs and general management
9 and perform such other duties as may be prescribed from time
10 to time by the members and shall receive compensation fixed
11 by the Authority. The Executive Director or any committee of
12 the members may carry out such responsibilities of the
13 members as the members by resolution may delegate. The
14 Executive Director shall attend all meetings of the
15 Authority; however, no action of the Authority shall be
16 invalid on account of the absence of the Executive Director
17 from a meeting. The Authority may engage the services of such
18 other agents and employees, including attorneys, appraisers,
19 engineers, accountants, credit analysts and other
20 consultants, as it may deem advisable and may prescribe their
21 duties and fix their compensation. The Authority may appoint
22 Advisory Councils to (1) assist in the formulation of policy
23 goals and objectives, (2) assist in the coordination of the
24 delivery of services, (3) assist in establishment of funding
25 priorities for the various activities of the Authority, and
26 (4) target the activities of the Authority to specific
27 geographic regions. There may be an Advisory Council on
28 Economic Development. The Advisory Council shall consist of
29 no more than 12 members, who shall serve at the pleasure of
30 the Authority. Members of the Advisory Council shall receive
31 no compensation for their services, but may be reimbursed for
32 expenses incurred with their service on the Advisory Council.

33 Section 801-25. All official acts of the Authority shall

1 require the approval of at least 8 members. All meetings of
2 the Authority and the Advisory Councils shall be conducted in
3 accordance with the Open Meetings Act. All meetings shall be
4 conducted at a single location within this State among
5 members physically present at this location. The Auditor
6 General shall conduct financial audits and program audits of
7 the Authority, in accordance with the Illinois State Auditing
8 Act.

9 Section 801-30. The Authority possesses all the powers as
10 a body corporate necessary and convenient to accomplish the
11 purposes of this Act, including, without any intended
12 limitation upon the general powers hereby conferred, the
13 following:

14 (a) to enter into loans, contracts, agreements and
15 mortgages in any manner connected with any of its corporate
16 purposes and to invest its funds;

17 (b) to sue and be sued;

18 (c) to employ agents and employees and independent
19 contractors necessary to carry out its purposes and to fix
20 their compensation, benefits and terms and conditions of
21 their employment;

22 (d) to have and use a common seal and to alter the same
23 at pleasure;

24 (e) to adopt all needful ordinances, resolutions,
25 by-laws, rules and regulations for the conduct of its
26 business and affairs and for the management and use of the
27 projects developed, constructed, acquired and improved in
28 furtherance of its purposes;

29 (f) to have and exercise all powers and be subject to all
30 duties otherwise necessary to effectuate the purposes of this
31 Act. If any of the powers set forth in this Act are exercised
32 within the jurisdictional limits of any municipality, all
33 ordinances of the municipality shall remain in full force and

1 effect and shall be controlling.

2 Section 801-40. In addition to the powers otherwise
3 authorized by law and in addition to the foregoing general
4 corporate powers, the Authority shall also have the following
5 additional specific powers to be exercised in furtherance of
6 the purposes of this Act.

7 (a) The Authority shall have power (i) to accept grants,
8 loans or appropriations from the Federal government or the
9 State, or any agency or instrumentality thereof, to be used
10 for the operating expenses of the Authority, or for any
11 purposes of the Authority, including the making of direct
12 loans of such funds with respect to projects, and (ii) to
13 enter into any agreement with the Federal government or the
14 State, or any agency or instrumentality thereof, in
15 relationship to such grants, loans or appropriations.

16 (b) The Authority shall have power to procure and enter
17 into contracts for any type of insurance and indemnity
18 agreements covering loss or damage to property from any
19 cause, including loss of use and occupancy, or covering any
20 other insurable risk.

21 (c) The Authority shall have the continuing power to
22 issue bonds for its corporate purposes. Bonds may be issued
23 by the Authority in one or more series and may provide for
24 the payment of any interest deemed necessary on such bonds,
25 of the costs of issuance of such bonds, of any premium on any
26 insurance, or of the cost of any guarantees, letters of
27 credit or other similar documents, may provide for the
28 funding of the reserves deemed necessary in connection with
29 such bonds, and may provide for the refunding or advance
30 refunding of any bonds or for accounts deemed necessary in
31 connection with any purpose of the Authority. The bonds may
32 bear interest payable at any time or times and at any rate or
33 rates, notwithstanding any other provision of law to the

1 contrary, and such rate or rates may be established by an
2 index or formula which may be implemented or established by
3 persons appointed or retained therefor by the Authority, or
4 may bear no interest or may bear interest payable at maturity
5 or upon redemption prior to maturity, may bear such date or
6 dates, may be payable at such time or times and at such place
7 or places, may mature at any time or times not later than 40
8 years from the date of issuance, may be sold at public or
9 private sale at such time or times and at such price or
10 prices, may be secured by such pledges, reserves, guarantees,
11 letters of credit, insurance contracts or other similar
12 credit support or liquidity instruments, may be executed in
13 such manner, may be subject to redemption prior to maturity,
14 may provide for the registration of the bonds, and may be
15 subject to such other terms and conditions all as may be
16 provided by the resolution or indenture authorizing the
17 issuance of such bonds. The holder or holders of any bonds
18 issued by the Authority may bring suits at law or proceedings
19 in equity to compel the performance and observance by any
20 person or by the Authority or any of its agents or employees
21 of any contract or covenant made with the holders of such
22 bonds and to compel such person or the Authority and any of
23 its agents or employees to perform any duties required to be
24 performed for the benefit of the holders of any such bonds by
25 the provision of the resolution authorizing their issuance,
26 and to enjoin such person or the Authority and any of its
27 agents or employees from taking any action in conflict with
28 any such contract or covenant. Notwithstanding the form and
29 tenor of any such bonds and in the absence of any express
30 recital on the face thereof that it is non-negotiable, all
31 such bonds shall be negotiable instruments. Pending the
32 preparation and execution of any such bonds, temporary bonds
33 may be issued as provided by the resolution. The bonds shall
34 be sold by the Authority in such manner as it shall

1 determine. The bonds may be secured as provided in the
2 authorizing resolution by the receipts, revenues, income and
3 other available funds of the Authority and by any amounts
4 derived by the Authority from the loan agreement or lease
5 agreement with respect to the project or projects; and bonds
6 may be issued as general obligations of the Authority payable
7 from such revenues, funds and obligations of the Authority as
8 the bond resolution shall provide, or may be issued as
9 limited obligations with a claim for payment solely from such
10 revenues, funds and obligations as the bond resolution shall
11 provide. The Authority may grant a specific pledge or
12 assignment of and lien on or security interest in such
13 rights, revenues, income, or amounts and may grant a specific
14 pledge or assignment of and lien on or security interest in
15 any reserves, funds or accounts established in the resolution
16 authorizing the issuance of bonds. Any such pledge,
17 assignment, lien or security interest for the benefit of the
18 holders of the Authority's bonds shall be valid and binding
19 from the time the bonds are issued without any physical
20 delivery or further act, and shall be valid and binding as
21 against and prior to the claims of all other parties having
22 claims against the Authority or any other person irrespective
23 of whether the other parties have notice of the pledge,
24 assignment, lien or security interest. As evidence of such
25 pledge, assignment, lien and security interest, the Authority
26 may execute and deliver a mortgage, trust agreement,
27 indenture or security agreement or an assignment thereof. A
28 remedy for any breach or default of the terms of any such
29 agreement by the Authority may be by mandamus proceedings in
30 any court of competent jurisdiction to compel the performance
31 and compliance therewith, but the agreement may prescribe by
32 whom or on whose behalf such action may be instituted. It is
33 expressly understood that the Authority may, but need not,
34 acquire title to any project with respect to which it

1 exercises its authority.

2 (d) With respect to the powers granted by this Act, the
3 Authority may adopt rules and regulations prescribing the
4 procedures by which persons may apply for assistance under
5 this Act. Nothing herein shall be deemed to preclude the
6 Authority, prior to the filing of any formal application,
7 from conducting preliminary discussions and investigations
8 with respect to the subject matter of any prospective
9 application.

10 (e) The Authority shall have power to acquire by
11 purchase, lease, gift or otherwise any property or rights
12 therein from any person useful for its purposes, whether
13 improved for the purposes of any prospective project, or
14 unimproved. The Authority may also accept any donation of
15 funds for its purposes from any such source. The Authority
16 shall have no independent power of condemnation but may
17 acquire any property or rights therein obtained upon
18 condemnation by any other authority, governmental entity or
19 unit of local government with such power.

20 (f) The Authority shall have power to develop, construct
21 and improve either under its own direction, or through
22 collaboration with any approved applicant, or to acquire
23 through purchase or otherwise, any project, using for such
24 purpose the proceeds derived from the sale of its bonds or
25 from governmental loans or grants, and to hold title in the
26 name of the Authority to such projects.

27 (g) The Authority shall have power to lease pursuant to a
28 lease agreement any project so developed and constructed or
29 acquired to the approved tenant on such terms and conditions
30 as may be appropriate to further the purposes of this Act and
31 to maintain the credit of the Authority. Any such lease may
32 provide for either the Authority or the approved tenant to
33 assume initially, in whole or in part, the costs of
34 maintenance, repair and improvements during the leasehold

1 period. In no case, however, shall the total rentals from any
2 project during any initial leasehold period or the total loan
3 repayments to be made pursuant to any loan agreement, be less
4 than an amount necessary to return over such lease or loan
5 period (1) all costs incurred in connection with the
6 development, construction, acquisition or improvement of the
7 project and for repair, maintenance and improvements thereto
8 during the period of the lease or loan; provided, however,
9 that the rentals or loan repayments need not include costs
10 met through the use of funds other than those obtained by the
11 Authority through the issuance of its bonds or governmental
12 loans; (2) a reasonable percentage additive to be agreed upon
13 by the Authority and the borrower or tenant to cover a
14 properly allocable portion of the Authority's general
15 expenses, including, but not limited to, administrative
16 expenses, salaries and general insurance, and (3) an amount
17 sufficient to pay when due all principal of, interest and
18 premium, if any on, any bonds issued by the Authority with
19 respect to the project. The portion of total rentals payable
20 under clause (3) of this subsection (g) shall be deposited in
21 such special accounts, including all sinking fund,
22 acquisition or construction funds, debt service and other
23 funds as provided by any resolution, mortgage or trust
24 agreement of the Authority pursuant to which any bond is
25 issued.

26 (h) The Authority has the power, upon the termination of
27 any leasehold period of any project, to sell or lease for a
28 further term or terms such project on such terms and
29 conditions as the Authority shall deem reasonable and
30 consistent with the purposes of the Act. The net proceeds
31 from all such sales and the revenues or income from such
32 leases shall be used to satisfy any indebtedness of the
33 Authority with respect to such project and any balance may be
34 used to pay any expenses of the Authority or be used for the

1 further development, construction, acquisition or improvement
2 of projects. In the event any project is vacated by a tenant
3 prior to the termination of the initial leasehold period, the
4 Authority shall sell or lease the facilities of the project
5 on the most advantageous terms available. The net proceeds of
6 any such disposition shall be treated in the same manner as
7 the proceeds from sales or the revenues or income from leases
8 subsequent to the termination of any initial leasehold
9 period.

10 (i) The Authority shall have the power to make loans to
11 persons to finance a project, to enter into loan agreements
12 with respect thereto, and to accept guarantees from persons
13 of its loans or the resultant evidences of obligations of the
14 Authority.

15 (j) The Authority may fix, determine, charge and collect
16 any premiums, fees, charges, costs and expenses, including,
17 without limitation, any application fees, commitment fees,
18 program fees, financing charges or publication fees from any
19 person in connection with its activities under this Act.

20 (k) In addition to the funds established as provided
21 herein, the Authority shall have the power to create and
22 establish such reserve funds and accounts as may be necessary
23 or desirable to accomplish its purposes under this Act and to
24 deposit its available monies into the funds and accounts.

25 (l) At the request of the governing body of any unit of
26 local government, the Authority is authorized to market such
27 local government's revenue bond offerings by preparing bond
28 issues for sale, advertising for sealed bids, receiving bids
29 at its offices, making the award to the bidder that offers
30 the most favorable terms or arranging for negotiated
31 placements or underwritings of such securities. The Authority
32 may, at its discretion, offer for concurrent sale the revenue
33 bonds of several local governments. Sales by the Authority of
34 revenue bonds under this Section shall in no way imply State

1 guarantee of such debt issue. The Authority may require such
2 financial information from participating local governments as
3 it deems necessary in order to carry out the purposes of this
4 subsection (1).

5 (m) The Authority may make grants to any county to which
6 Division 5-37 of the Counties Code is applicable to assist in
7 the financing of capital development, construction and
8 renovation of new or existing facilities for hospitals and
9 health care facilities under that Act. Such grants may only
10 be made from funds appropriated for such purposes from the
11 Build Illinois Bond Fund or the Build Illinois Purposes Fund.

12 (n) The Authority may establish an urban development
13 action grant program for the purpose of assisting
14 municipalities in Illinois which are experiencing severe
15 economic distress to help stimulate economic development
16 activities needed to aid in economic recovery. The Authority
17 shall determine the types of activities and projects for
18 which the urban development action grants may be used,
19 provided that such projects and activities are broadly
20 defined to include all reasonable projects and activities the
21 primary objectives of which are the development of viable
22 urban communities, including decent housing and a suitable
23 living environment, and expansion of economic opportunity,
24 principally for persons of low and moderate incomes. The
25 Authority shall enter into grant agreements from monies
26 appropriated for such purposes from the Build Illinois Bond
27 Fund or the Build Illinois Purposes Fund. The Authority shall
28 monitor the use of the grants, and shall provide for audits
29 of the funds as well as recovery by the Authority of any
30 funds determined to have been spent in violation of this
31 subsection (n) or any rule or regulation promulgated
32 hereunder. The Authority shall provide technical assistance
33 with regard to the effective use of the urban development
34 action grants. The Authority shall file an annual report to

1 the General Assembly concerning the progress of the grant
2 program.

3 (o) The Authority may establish a Housing Partnership
4 Program whereby the Authority provides zero-interest loans to
5 municipalities for the purpose of assisting in the financing
6 of projects for the rehabilitation of affordable multi-family
7 housing for low and moderate income residents. The Authority
8 may provide such loans only upon a municipality's providing
9 evidence that it has obtained private funding for the
10 rehabilitation project. The Authority shall provide 3 State
11 dollars for every 7 dollars obtained by the municipality from
12 sources other than the State of Illinois. The loans shall be
13 made from monies appropriated for such purpose from the Build
14 Illinois Bond Fund or the Build Illinois Purposes Fund. The
15 total amount of loans available under the Housing Partnership
16 Program shall not exceed \$30,000,000. State loan monies under
17 this subsection shall be used only for the acquisition and
18 rehabilitation of existing buildings containing 4 or more
19 dwelling units. The terms of any loan made by the
20 municipality under this subsection shall require repayment of
21 the loan to the municipality upon any sale or other transfer
22 of the project.

23 (p) The Authority may award grants to universities and
24 research institutions, research consortiums and other
25 not-for-profit entities for the purposes of: remodeling or
26 otherwise physically altering existing laboratory or research
27 facilities, expansion or physical additions to existing
28 laboratory or research facilities, construction of new
29 laboratory or research facilities or acquisition of modern
30 equipment to support laboratory or research operations
31 provided that such grants (i) be used solely in support of
32 project and equipment acquisitions which enhance technology
33 transfer, and (ii) not constitute more than 60 percent of the
34 total project or acquisition cost.

1 (q) Grants may be awarded by the Authority to units of
2 local government for the purpose of developing the
3 appropriate infrastructure or defraying other costs to the
4 local government in support of laboratory or research
5 facilities provided that such grants may not exceed 40% of
6 the cost to the unit of local government.

7 (r) The Authority may establish a Direct Loan Program to
8 make loans to individuals, partnerships or corporations for
9 the purpose of an industrial project, as defined in Section
10 801-10 of this Act. For the purposes of such program and not
11 by way of limitation on any other program of the Authority,
12 the Authority shall have the power to issue bonds, notes, or
13 other evidences of indebtedness including commercial paper
14 for purposes of providing a fund of capital from which it may
15 make such loans. The Authority shall have the power to use
16 any appropriations from the State made especially for the
17 Authority's Direct Loan Program for additional capital to
18 make such loans or for the purposes of reserve funds or
19 pledged funds which secure the Authority's obligations of
20 repayment of any bond, note or other form of indebtedness
21 established for the purpose of providing capital for which it
22 intends to make such loans under the Direct Loan Program. For
23 the purpose of obtaining such capital, the Authority may also
24 enter into agreements with financial institutions and other
25 persons for the purpose of selling loans and developing a
26 secondary market for such loans. Loans made under the Direct
27 Loan Program may be in an amount not to exceed \$300,000 and
28 shall be made for a portion of an industrial project which
29 does not exceed 50% of the total project. No loan may be made
30 by the Authority unless approved by the affirmative vote of
31 at least 8 members of the board. The Authority shall
32 establish procedures and publish rules which shall provide
33 for the submission, review, and analysis of each direct loan
34 application and which shall preserve the ability of each

1 board member to reach an individual business judgment
2 regarding the propriety of making each direct loan. The
3 collective discretion of the board to approve or disapprove
4 each loan shall be unencumbered. The Authority may establish
5 and collect such fees and charges, determine and enforce such
6 terms and conditions, and charge such interest rates as it
7 determines to be necessary and appropriate to the successful
8 administration of the Direct Loan Program. The Authority may
9 require such interests in collateral and such guarantees as
10 it determines are necessary to project the Authority's
11 interest in the repayment of the principal and interest of
12 each loan made under the Direct Loan Program.

13 (s) The Authority may guarantee private loans to third
14 parties up to a specified dollar amount in order to promote
15 economic development in this State.

16 (t) The Authority may adopt rules and regulations as may
17 be necessary or advisable to implement the powers conferred
18 by this Act.

19 (u) The Authority shall have the power to issue bonds,
20 notes or other evidences of indebtedness, which may be used
21 to make loans to units of local government which are
22 authorized to enter into loan agreements and other documents
23 and to issue bonds, notes and other evidences of indebtedness
24 for the purpose of financing the protection of storm sewer
25 outfalls, the construction of adequate storm sewer outfalls,
26 and the provision for flood protection of sanitary sewage
27 treatment plans, in counties that have established a
28 stormwater management planning committee in accordance with
29 Section 5-1062 of the Counties Code. Any such loan shall be
30 made by the Authority pursuant to the provisions of Section
31 820-5 to 820-60 of this Act. The unit of local government
32 shall pay back to the Authority the principal amount of the
33 loan, plus annual interest as determined by the Authority.
34 The Authority shall have the power, subject to appropriations

1 by the General Assembly, to subsidize or buy down a portion
2 of the interest on such loans, up to 4% per annum.

3 (v) The Authority may accept security interests as
4 provided in Sections 11-3 and 11-3.3 of the Illinois Public
5 Aid Code.

6 (w) Moral Obligation. In the event that the Authority
7 determines that monies of the Authority will not be
8 sufficient for the payment of the principal of and interest
9 on its bonds during the next State fiscal year, the
10 Chairperson, as soon as practicable, shall certify to the
11 Governor the amount required by the Authority to enable it to
12 pay such principal of and interest on the bonds. The Governor
13 shall submit the amount so certified to the General Assembly
14 as soon as practicable, but no later than the end of the
15 current State fiscal year. This subsection shall apply only
16 to any bonds or notes as to which the Authority shall have
17 determined, in the resolution authorizing the issuance of the
18 bonds or notes, that this subsection shall apply. Whenever
19 the Authority makes such a determination, that fact shall be
20 plainly stated on the face of the bonds or notes and that
21 fact shall also be reported to the Governor. In the event of
22 a withdrawal of moneys from a reserve fund established with
23 respect to any issue or issues of bonds of the Authority to
24 pay principal or interest on those bonds, the Chairperson of
25 the Authority, as soon as practicable, shall certify to the
26 Governor the amount required to restore the reserve fund to
27 the level required in the resolution or indenture securing
28 those bonds. The Governor shall submit the amount so
29 certified to the General Assembly as soon as practicable, but
30 no later than the end of the current State fiscal year. The
31 Authority shall obtain written approval from the Governor for
32 any bonds and notes to be issued under this Section. In
33 addition to any other bonds authorized to be issued under
34 Sections 825-60, 825-65(e), 830-25 and 845-5, the principal

1 amount of Authority bonds outstanding issued under this
2 Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS
3 360/2-6(c), which have been assumed by the Authority, shall
4 not exceed \$150,000,000.

5 Section 801-45. Property Taxation. The property of the
6 Authority and its respective income and operations, shall be
7 exempt from taxation.

8 ARTICLE 805

9 INDUSTRIAL REVENUE BOND INSURANCE FUND

10 Section 805-5. Findings and Declaration of Policy. It is
11 hereby found and declared that a continuing need exists to
12 maintain and develop the State's economy; that there are
13 significant barriers in the capital markets inhibiting the
14 issuance by the Authority of industrial revenue bonds to
15 assist in financing industrial projects in the State,
16 particularly for smaller firms; and that the establishment of
17 the Industrial Revenue Bond Insurance Fund and the exercise
18 by the Authority of the powers granted in this Article will
19 promote economic development by widening the market for the
20 Authority's revenue bonds.

21 Section 805-10. Definitions. The following terms,
22 whenever used or referred to in this Article, shall have the
23 following meanings ascribed to them, except where the context
24 clearly requires otherwise:

25 (a) "Financial Institution" means a financial institution
26 which is a trust company, a bank, a savings bank, a credit
27 union, an investment bank, a broker, an investment trust, a
28 pension fund, a building and loan association, a savings and
29 loan association, an insurance company, or any other
30 institution acceptable to the Authority, authorized to do

1 business in the State and approved by the Authority to insure
2 bonds or loans for industrial projects authorized by this
3 Act.

4 (b) "Participating lender" means any trust company, bank,
5 savings bank, credit union, investment bank, broker,
6 investment trust, pension fund, building and loan
7 association, savings and loan association, insurance company
8 or other institution approved by the Authority which assumes
9 a portion of the risk on a loan for an industrial project as
10 provided in Section 805-30 of this Act.

11 Section 805-15. Industrial Project Insurance Fund. There
12 is created the Industrial Project Insurance Fund, hereafter
13 referred to in Sections 805-15 through 805-50 of this Act as
14 the "Fund." The Treasurer shall have custody of the Fund,
15 which shall be held outside of the State Treasury, except
16 that custody may be transferred to and held by any bank,
17 trust company or other fiduciary with whom the Authority
18 executes a trust agreement as authorized by paragraph (h) of
19 Section 805-20 of this Act. Any portion of the Fund against
20 which a charge has been made, shall be held for the benefit
21 of the holders of the loans or bonds insured under Section
22 805-20 of this Act. There shall be deposited in the Fund such
23 amounts, including but not limited to:

24 (a) All receipts of bond and loan insurance premiums;

25 (b) All proceeds of assets of whatever nature received by
26 the Authority as a result of default or delinquency with
27 respect to insured loans or bonds with respect to which
28 payments from the Fund have been made, including proceeds
29 from the sale, disposal, lease or rental of real or personal
30 property which the Authority may receive under the provisions
31 of this Article but excluding the proceeds of insurance
32 hereunder;

33 (c) All receipts from any applicable contract or

1 agreement entered into by the Authority under paragraph (b)
2 of Section 805-20 of this Act;

3 (d) Any State appropriations, transfers of
4 appropriations, or transfers of general obligation bond
5 proceeds or other monies made available to the Fund. Amounts
6 in the Fund shall be used in accordance with the provisions
7 of this Article to satisfy any valid insurance claim payable
8 therefrom and may be used for any other purpose determined by
9 the Authority in accordance with insurance contract or
10 contracts with financial institutions entered into pursuant
11 to this Act, including without limitation protecting the
12 interest of the Authority in industrial projects during
13 periods of loan delinquency or upon loan default through the
14 purchase of industrial projects in foreclosure proceedings or
15 in lieu of foreclosure or through any other means. Such
16 amounts may also be used to pay administrative costs and
17 expenses reasonably allocable to the activities in connection
18 with the Fund and to pay taxes, maintenance, insurance,
19 security and any other costs and expenses of bidding for,
20 acquiring, owning, carrying and disposing of industrial
21 projects which were financed with the proceeds of insured
22 bonds or loans. In the case of a default in payment with
23 respect to any loan, mortgage or other agreement so insured,
24 the amount of the default shall immediately, and at all times
25 during the continuance of such default, and to the extent
26 provided in any applicable agreement, constitute a charge on
27 the Fund. Any amounts in the Fund not currently needed to
28 meet the obligations of the Fund may be invested as provided
29 by law in obligations designated by the Authority, and all
30 income from such investments shall become part of the Fund.
31 In making such investments, the Authority shall act with the
32 care, skill, diligence and prudence under the circumstances
33 of a prudent person acting in a like capacity in the conduct
34 of an enterprise of like character and with like aims. It

1 shall diversify such investments of the Authority so as to
2 minimize the risk of large losses, unless under the
3 circumstances it is clearly not prudent to do so. Any amounts
4 in the Fund not needed to meet the obligations of the Fund
5 may be transferred to the Credit Enhancement Development Fund
6 of the Authority pursuant to resolution of the members of the
7 Authority.

8 Section 805-20. Powers and Duties; Industrial Project
9 Insurance Program. The Authority has the power:

10 (a) To insure and made advance commitments to insure all
11 or any part of the payments required on the bonds issued or a
12 loan made to finance any environmental facility under the
13 Illinois Environmental Facilities Financing Act or for any
14 industrial project upon such terms and conditions as the
15 Authority may prescribe in accordance with this Article. The
16 insurance provided by the Authority shall be payable solely
17 from the Fund created by Section 805-15 and shall not
18 constitute a debt or pledge of the full faith and credit of
19 the State, the Authority, or any political subdivision
20 thereof;

21 (b) To enter into insurance contracts, letters of credit
22 or any other agreements or contracts with financial
23 institutions with respect to the Fund and any bonds or loans
24 insured thereunder. Any such agreement or contract may
25 contain terms and provisions necessary or desirable in
26 connection with the program, subject to the requirements
27 established by this Act, including without limitation terms
28 and provisions relating to loan documentation, review and
29 approval procedures, origination and servicing rights and
30 responsibilities, default conditions, procedures and
31 obligations with respect to insurance contracts made under
32 this Act. The agreements or contracts may be executed on an
33 individual, group or master contract basis with financial

1 institutions;

2 (c) To charge reasonable fees to defray the cost of
3 obtaining letters of credit or other similar documents, other
4 than insurance contracts under paragraph (b). Any such fees
5 shall be payable by such person, in such amounts and at such
6 times as the Authority shall determine, and the amount of the
7 fees need not be uniform among the various bonds or loans
8 insured;

9 (d) To fix insurance premiums for the insurance of
10 payments under the provisions of this Article. Such premiums
11 shall be computed as determined by the Authority. Any
12 premiums for the insurance of loan payments under the
13 provisions of this Act shall be payable by such person, in
14 such amounts and at such times as the Authority shall
15 determine, and the amount of the premiums need not be uniform
16 among the various bonds or loans insured;

17 (e) To establish application fees and prescribe
18 application, notification, contract and insurance forms,
19 rules and regulations it deems necessary or appropriate;

20 (f) To make loans and to issue bonds secured by insurance
21 or other agreements authorized by paragraphs (a) and (b) of
22 this Section 805-20 and to issue bonds secured by loans that
23 are guaranteed by the federal government or agencies thereof;

24 (g) To issue a single bond issue, or a series of bond
25 issues, for a group of industrial projects, a group of
26 corporations, or a group of business entities or any
27 combination thereof insured by insurance or backed by any
28 other agreement authorized by paragraphs (a) and (b) of this
29 Section or secured by loans that are guaranteed by the
30 federal government or agencies thereof;

31 (h) To enter into trust agreements for the management of
32 the Fund created under Section 805-15 of this Act; and

33 (i) To exercise such other powers as are necessary or
34 incidental to the foregoing.

1 Section 805-25. Insurance Contracts; Claim
2 Responsibility. Any contract of insurance made by the
3 Authority with a lender or bondholder or for the benefit
4 thereof under this Act shall provide that claims payable
5 under such contract shall be paid from any amounts available
6 in the Fund and from any amounts available under the terms of
7 any applicable contract or agreement with other financial
8 institutions, in such order of priority as the Authority
9 shall deem appropriate. The obligation of the Authority to
10 make payments under any such contract shall be limited solely
11 to the amounts provided in such contract and shall not
12 constitute a debt or liability of the State, the Authority or
13 any subdivision thereof. Any insurance contract or other
14 agreement with a lender or bondholder or for the benefit
15 thereof and any rule or regulation of the Authority
16 implementing the insurance program may contain such other
17 terms, provisions or conditions as the Authority deems
18 necessary or appropriate, including, without limitation,
19 those relating to the payment of insurance premiums, the
20 giving of notice, claim procedures, the sources of payment
21 for claims, the priority of competing claims for payment, the
22 release or termination of loan security and borrower
23 liability, the timing of payment, the maintenance and
24 disposition of industrial projects and the use of amounts
25 received during periods of delinquency or upon default, and
26 any other provisions concerning the rights of insured parties
27 or conditions to the payment of insurance claims.

28 Section 805-30. Applications for Insured Industrial
29 Project Loans; Procedures. Applications received by the
30 Authority shall be forwarded to a credit review committee
31 consisting of 3 persons experienced in industrial financing
32 selected by the Authority for a review and report concerning
33 the advisability of approving the proposed insurance. The

1 review and report shall include facts about the company's
2 history, job opportunities, stability of employment,
3 financial condition and structure, income statements, market
4 prospects and management, and any other facts material to the
5 insurance request. The report shall include a reasoned
6 opinion as to whether providing the insurance would tend to
7 fulfill the purposes of the Authority and the insurance
8 program. The report shall be advisory in nature only. Payment
9 shall be made to the members of the committee selected by the
10 Authority on a reasonable consultant basis, as the Authority
11 may determine. The credit review committee shall be of such
12 composition, act for such time and have such powers as shall
13 be specified in the agreement or agreements establishing its
14 existence and, to the extent so specified, shall act for the
15 Authority in matters concerning the insurance program
16 authorized by Sections 805-5 through 805-45 of this Act. The
17 Authority shall, on the basis of the application, the report
18 of the credit review committee, the information provided by
19 the local or regional industrial development agency, and any
20 other appropriate information, prepare a report concerning
21 the credit worthiness of the proposed borrower, the loan
22 record of the participating lender, the financial commitment
23 of the participating lender, the manner in which the proposed
24 industrial project will advance the economy of the State and
25 the soundness of the proposed loan. The Fund, or any portion
26 thereof against which a charge has been made, shall be held
27 for the benefit of the holders of the bonds or loans insured
28 under Section 805-20 of this Act, as provided by agreement
29 between the Authority and such holders. The Authority shall
30 be satisfied that the Fund is protected by adequate security
31 on all bonds or loans insured by the Authority.

32 Section 805-35. Loan Approval Standards. Before approving
33 any bond or loan insurance under this Act, the Authority

1 shall find that any loan insured by or to be made from the
2 proceeds of bonds insured by the Authority under this Act
3 shall:

4 (a) Be made for an industrial project or any
5 environmental facility under the Illinois Environmental
6 Facilities Financing Act;

7 (b) Be made to a borrower approved by the Authority as
8 responsible and creditworthy;

9 (c) Be reviewed for insurance by the credit review
10 committee established by the Authority pursuant to this Act;

11 (d) In the case of real property, be secured by a first
12 mortgage on the property, or by any other security
13 satisfactory to the Authority to secure payment of the loans,
14 and have a maturity date not later than 25 years after the
15 date of the loan;

16 (e) In the case of machinery and equipment, be secured by
17 a first security interest in the machinery and equipment, or
18 by any other security satisfactory to the Authority to secure
19 payment of the loan, and have a maturity date not later than
20 12 years from the date of the loan;

21 (f) Contain complete amortization provisions satisfactory
22 to the Authority;

23 (g) Be in such principal amount and form, and contain
24 such terms and provisions with respect to property insurance,
25 repairs, alterations, payment of taxes and assessments,
26 delinquency charges, default remedies, additional security
27 and other matters as the Authority shall determine;

28 (h) Be made only after the Authority has made a
29 determination that, in its sole opinion, the loan has the
30 potential to provide or retain substantial employment in
31 relation to the principal amount of the loan to be insured,
32 which employment, so far as feasible, may be expected to be
33 of residents of areas of critical labor surplus;

34 (i) Be made only after the Authority has made a

1 determination that, in its sole opinion, adequate provision
2 is being or will be made to meet any increased demand upon
3 community public facilities that will likely result from the
4 project; and

5 (j) Be made only after the Authority has made a
6 determination that, in its sole opinion, the public interest
7 is adequately protected by the terms of the loan and of the
8 insurance contract or other agreements. Any contract of
9 insurance executed by the Authority under this Act shall be
10 conclusive evidence of eligibility for such insurance, and
11 the validity of any contract of insurance so executed or of
12 an advance commitment to insure shall be incontestable in the
13 hands of a borrower or bondholder from the date of execution
14 and delivery of the contract or commitment, except for fraud,
15 or misrepresentation on the part of the borrower and, as to
16 commitments to insure, noncompliance with the commitment or
17 Authority rules or regulations in force at the time of
18 issuance of the commitment. Nothing in this Act shall be
19 construed as creating any rights of a competitor of an
20 approved borrower or any applicant whose application is
21 denied by the Authority to challenge any application which is
22 accepted by the Authority and any loan, contract of insurance
23 or other agreement executed in connection therewith.

24 Section 805-40. Investments in Insured Debts of the
25 Authority. The State and all counties, municipalities and
26 other public corporations, political subdivisions and public
27 bodies, and public officers of any thereof, all banks,
28 bankers, trust companies, savings banks and institutions,
29 building and loan associations, savings and loan
30 associations, investment companies and other persons carrying
31 on a banking business, all insurance companies, insurance
32 associations and other persons carrying on an insurance
33 business and all executors, administrators, guardians,

1 trustees and other fiduciaries may legally invest any sinking
2 funds, moneys or other funds belonging to them or within
3 their control in any bonds, loans or extension of credit
4 which are the subject of insurance pursuant to this Article,
5 it being the purpose of this Section to authorize the
6 investment of such bonds, loans or extension of credit of all
7 sinking, insurance, retirement, compensation, pension and
8 trust funds, whether owned or controlled by private or public
9 persons or officers; provided, however, that nothing
10 contained in this Section may be construed as relieving any
11 persons from any duty of exercising reasonable care in
12 selecting securities for purchase or investment. The bonds
13 and any loan or extension of credit which are the subject of
14 insurance pursuant to this Article are also hereby made
15 securities which may properly and legally be deposited with
16 and received by all public officers and bodies of the State
17 or any agency or political subdivisions thereof and all
18 municipalities and public corporations for any purpose for
19 which the deposit of bonds is now or may hereafter be
20 authorized by law.

21 Section 805-45. Cooperation with Local Industrial
22 Development Agencies. When the Authority receives an
23 application from a potential insured loan borrower, it shall
24 promptly notify the local industrial development agency of
25 that fact in writing if such an agency exists in the
26 municipality or county where such industrial project is
27 proposed to be financed; or the corporate authorities in such
28 municipality where no such agency exists. The Authority shall
29 provide the local industrial development agency with any
30 available information that the agency needs to prepare a
31 recommendation concerning the advisability of the industrial
32 project and its impact, economic and otherwise, on the
33 community and the State. Such application shall include a

1 written authorization by the applicant that such notification
2 and information be made available to such agency or
3 municipality to the extent that such information is not
4 deemed to be confidential under Section 805-50 of this Act.
5 The Authority shall not consider any application that does
6 not include such written authorization. The Authority shall
7 encourage financial participation by local industrial
8 development agencies by giving priority consideration to
9 insured loan applicants from areas serviced by those agencies
10 that have demonstrated a commitment to economic development.

11 Section 805-50. Documentary material concerning trade
12 secrets; Commercial or financial information;
13 Confidentiality. Any documentary materials or data made or
14 received by any member, agent, or employee of the Authority
15 or the credit review committees, to the extent that such
16 materials or data consist of trade secrets, commercial or
17 financial information regarding the operation of any
18 enterprise conducted by an applicant for, or recipient of,
19 any form of assistance which the Authority is empowered to
20 render under this Article, or regarding the competitive
21 position of such enterprise in a particular field of
22 endeavor, shall not be deemed public records.

23

ARTICLE 810

24

VENTURE INVESTMENT FUND

25 Section 810-5. Findings and Declaration of Policy. It is
26 hereby found and declared that a continuing need exists to
27 maintain and develop the State's economy; that assisting and
28 encouraging economic development through private enterprise
29 will help to create and maintain employment and governmental
30 revenues and is an important function of the State; that the
31 availability of seed capital and equity capital is an

1 important inducement to enterprises to remain, locate and
2 expand in the State; that there exists in the State gaps in
3 the availability of capital for the development and
4 exploitation of new technologies, products, processes and
5 inventions and that this shortage has resulted and will
6 continue to result in a shortfall in the development of new
7 enterprises and employment in Illinois; that the
8 establishment of the Illinois Venture Investment Fund and the
9 exercise by the Authority of the powers granted in Sections
10 810-5 through 810-40 of this Act will promote economic
11 development resulting in increased employment and public
12 revenues; and that the provisions of this Act are hereby
13 declared to be in the public interest and for the public
14 benefit.

15 Section 810-10. Definitions. The following terms,
16 whenever used or referred to in this Article, shall have the
17 following meanings ascribed to them, except where the context
18 clearly requires otherwise:

19 (a) "Co-venture investment" means a venture capital or
20 seed capital investment by the Authority in qualified
21 securities of an enterprise that is made after or in
22 conjunction with one or more professional investors that have
23 or are making equity investments in that enterprise, as
24 provided in this Act. A direct investment made by the
25 Authority may later be treated as a co-venture upon such
26 investment made by a professional investor.

27 (b) "Direct investment" means a venture capital or seed
28 capital investment by the Authority in qualified securities
29 of an enterprise in which no professional investor or seed
30 capital investor is also making an equity investment.

31 (c) "Enterprise" means an individual, corporation,
32 partnership, joint venture, trust, estate, or unincorporated
33 association.

1 (d) "Professional investor" means any bank, bank holding
2 company, savings institution, trust company, credit union,
3 insurance company, investment company registered under the
4 Federal Investment Company Act of 1940, pension or
5 profit-sharing trust or other financial institution or
6 institutional buyer, licensee under the Federal Small
7 Business Investment Act of 1958, or any person, partnership,
8 or other entity whose principal business is making venture
9 capital investments and whose net worth exceeds \$250,000.

10 (e) "Qualified security" means any note, stock,
11 convertible security, treasury stock, bond, debenture,
12 evidence of indebtedness, limited partnership interest,
13 certificate of interest or participation in any
14 profit-sharing agreement, pre-organization certificate or
15 subscription, transferable share, investment contract,
16 certificate of deposit for a security, certificate of
17 interest or participation in a patent or application
18 therefor, or in royalty or other payments under a patent or
19 application, or, in general, any interest or instrument
20 commonly known as a "security" or any certificate for,
21 receipt for, guarantee of, or option, warrant, or right to
22 subscribe to or purchase any of the foregoing.

23 (f) "Seed capital" means financing in the form of
24 investments in qualified securities that is provided for
25 applied research, development, testing, and initial marketing
26 of a technology, product, process, or invention and
27 associated working capital.

28 (g) "Seed capital investor" means any person,
29 partnership, corporation, trust, or other entity making a
30 seed capital investment.

31 (h) "Director" means the person designated by the
32 Authority to manage the activities associated with the
33 Illinois Venture Investment Fund.

34 (i) "Venture capital" means financing in the form of

1 investments in qualified securities that is provided for the
2 capital needs of a company that is developing a new
3 technology, product, process, or invention.

4 Section 810-15. Illinois Venture Investment Fund. There
5 is created the Illinois Venture Investment Fund, hereafter
6 referred to in this Article as the "Fund." The Treasurer of
7 the Authority shall have custody of the Fund, which shall be
8 held outside of the State Treasury. The Authority is
9 authorized to accept any and all grants, loans, including
10 loans from State public employee pension funds, as authorized
11 by this Act or any other statute, subsidies, matching funds,
12 reimbursements, appropriations, transfers of appropriations,
13 federal grant monies, income derived from investments, or
14 other things of value from the federal or state governments
15 or any agency of any other state or from any institution,
16 person, firm or corporation, public or private, for deposit
17 in the Fund. The Authority is authorized to use monies
18 deposited in the Fund expressly for the purposes specified in
19 and according to the procedures established by Sections
20 810-20 through 810-40 of this Act. The Authority may appoint
21 a Director to manage the activities associated with the Fund.
22 Such Director shall receive compensation as determined by the
23 Authority.

24 Section 810-20. Powers and Duties; Illinois Venture
25 Investment Fund Limits. The Authority shall invest and
26 reinvest the Fund and the income, thereof, in the following
27 ways:

28 (a) To make a direct investment in qualified securities
29 issued by enterprises and to dispose of those securities
30 within 10 years after the date of the direct investment as
31 determined by the Authority for the purpose of providing
32 venture capital or seed capital, provided that the investment

1 shall not exceed 49% of the estimated cost of development,
2 testing, and initial production and marketing and associated
3 working capital for the technology, product, process, or
4 invention, or \$750,000, whichever is less;

5 (b) To enter into written agreements or contracts
6 (including limited partnership agreements) with one or more
7 professional investors or one or more seed capital investors,
8 if any, for the purpose of establishing a pool of funds to be
9 used exclusively as venture capital or seed capital
10 investments. The Authority shall not invest more than
11 \$2,000,000 in a single pool of funds or affiliated pools of
12 funds. The agreement or contract shall provide for the pool
13 of funds to be managed by a professional investor. The
14 manager may be the general partner of a limited partnership
15 of which the Authority is a limited partner. The agreement or
16 contract may provide for reimbursement of expenses of, and
17 payment of a fee to, the manager. The agreement or contract
18 may also provide for payment to the manager of a percentage,
19 not to exceed 40% (computed on an annual basis), of cash and
20 other property payable to the Authority as its pro-rata share
21 of distributions to investors in the pool of funds, provided
22 that (i) no amount shall be received by the manager upon sale
23 or other disposition of qualified investments in enterprises
24 until recovery by the Authority of its investment and upon
25 liquidation or withdrawal of the Authority from the pool of
26 funds, the manager shall be obligated to refund any amount
27 received by it from such percentage if necessary to allow the
28 Authority to recover its investment or (ii) the terms of
29 payment of cash and other property to the Authority are no
30 less favorable to the Authority than payments to other seed
31 capital investors (other than the manager) who are parties to
32 the agreement or contract.

33 (c) To make co-venture investments by entering into
34 agreements with one or more professional investors or one or

1 more seed capital investors, if any, who have formally agreed
2 to invest at least 50% as much as the Authority invests in
3 the enterprise, for the purpose of providing venture capital
4 or seed capital; but no more than \$1,000,000 shall be
5 invested by the Authority in the qualified securities of a
6 single enterprise. A total of not more than \$1,500,000 may be
7 invested in the securities of a single enterprise, if the
8 Authority shall find, after the initial investment by the
9 Authority, that additional investments in the enterprise are
10 necessary to protect or enhance the initial investment of the
11 Authority. Each co-venture investment agreement shall provide
12 that the Authority will recover its investment before or
13 simultaneously with any distribution to participating
14 professional investors or seed capital investors. The
15 Authority and participating professional investors and seed
16 capital investors shall share ratably in the profits earned
17 in any form on the co-venture investment, but the Authority
18 may, at its discretion, agree to pay to a participating
19 professional investor a percentage, not to exceed 40%
20 (computed on an annual basis), of cash and other property
21 payable to the Authority as its pro-rata share of
22 distributions to investors in the pool of funds, provided
23 that (i) no amount shall be received by the participating
24 professional investor upon sale or other disposition of
25 qualified investments in the enterprises until recovery by
26 the Authority of its investment and upon liquidation or
27 withdrawal of the Authority from the pool of funds, the
28 participating professional investor shall be obligated to
29 refund any amount received by it from such percentage if
30 necessary to allow the Authority to recover its investment or
31 (ii) the terms of payment of cash and other property to the
32 Authority are no less favorable to the Authority than
33 payments to other seed capital investors or professional
34 investors (other than the professional investor) who are

1 parties to the agreement or contract;

2 (d) To purchase qualified securities of certified
3 development corporations created under Section 503 of the
4 federal Small Business Administration Act, including the
5 Illinois Small Business Growth Corporation, for the purpose
6 of making loans to enterprises that have the potential to
7 create substantial employment within the State per dollar
8 invested by the Authority, provided that the investment does
9 not exceed 25% of the total investment in each corporation at
10 the time the investment is approved by the Authority.
11 Investment by the Authority in the Illinois Small Business
12 Growth Corporation is not limited by the foregoing provision;

13 (e) To purchase qualified securities of small business
14 investment companies and minority enterprise small business
15 investment corporations certified by the federal Small
16 Business Administration which are committed to making 60% of
17 their investments in the State, provided that investments
18 from the Fund do not exceed 25% of the total investment in
19 these entities at the time the investment is approved by the
20 Authority;

21 (f) To make the investments of any funds held in reserves
22 or sinking funds, or any funds not required for immediate
23 disbursement, as may be lawful investments for fiduciaries in
24 the State;

25 (g) To facilitate and promote the acquisition and
26 revitalization of existing manufacturing enterprises by
27 developing and maintaining a list of firms, or divisions
28 thereof, located within the State that are available for
29 purchase, merger, or acquisition. The list shall be made
30 available at such charges as the Authority may determine to
31 all interested persons and institutions upon request. No firm
32 shall appear on the list without its prior written
33 permission. The list may contain such additional financial,
34 technical, market and other information as may be supplied by

1 the listed firm. The Authority shall bear no responsibility
2 for the accuracy of the information contained on the list,
3 and each listed firm shall hold the Authority harmless
4 against any claim of inaccuracy. Enterprises supported by
5 investments from the Fund shall receive consideration by the
6 Authority in the allocation of loans to be insured or loans
7 to be made from the proceeds of bonds to be insured by the
8 Industrial Revenue Bond Insurance Fund established under this
9 Article, and the Authority shall coordinate its activities
10 under the 2 programs.

11 Section 810-25. Direct and Co-venture Investments. An
12 enterprise seeking a direct investment from the Illinois
13 Venture Investment Fund shall file an application with the
14 Authority along with an applicable fee to be determined by
15 the Authority. A valid application shall contain a business
16 plan, including a description of the enterprise and its
17 management, a statement of the amount, timing, and projected
18 use of the capital required, a statement concerning the
19 feasibility of the proposed technology, product, process, or
20 invention, its state of development and likelihood of
21 commercial success, a statement of the potential economic
22 impact of the enterprise on the State, including the number,
23 location, and types of jobs expected to be created, and such
24 other information as the Authority shall require. In addition
25 to the foregoing, the Authority shall approve an application
26 for a direct investment and shall approve a co-venture
27 investment only after it has made the following findings:

- 28 (a) The enterprise has a reasonable chance of success;
- 29 (b) If the application is for a direct investment,
30 Authority participation is necessary to the success of the
31 enterprise because conventional, private funding is
32 unavailable in the traditional capital markets, or because
33 funding has been offered on terms that would substantially

1 hinder the success of the enterprise;

2 (c) The technology, product, process, or invention for
3 which the investment is being made is feasible, has the
4 potential to achieve commercial success and the enterprise
5 has the potential to create substantial employment within the
6 State per dollar invested and that this employment, so far as
7 feasible, may be expected to be for residents of areas of
8 critical labor surplus;

9 (d) The entrepreneur, investors, shareholders, and other
10 founders of the enterprise have already made or are obligated
11 to make a substantial financial and time commitment to the
12 enterprise;

13 (e) The securities to be purchased are qualified
14 securities;

15 (f) The Authority determines that the possible gains on
16 the investment are at least commensurate with the risk of
17 loss and that there is a reasonable possibility that the
18 Authority will recoup its investment, within 10 years after
19 the investment or such other time period as negotiated by the
20 Authority, through the receipt of interest payments,
21 dividends, capital gains, or other distribution of profits,
22 or royalties on investments made by the Authority; and

23 (g) Binding commitments have been made to the Authority
24 by the enterprise for adequate reporting of financial data to
25 the Authority and any participating professional investors or
26 seed capital investors. The report shall include an annual
27 audit of the books of the enterprise by an independent
28 certified public accountant if the Authority so requires. The
29 Authority and any participating professional investors or
30 seed capital investors shall secure sufficient contractual
31 rights from the enterprise as the Authority shall consider
32 prudent to protect the investment of the Authority,
33 including, at the discretion of the Authority and without
34 limitation, a right of access to financial and other records

1 of the enterprise. The Authority's interest in qualified
2 securities from investments shall not represent more than 49%
3 of the voting stock of any single enterprise at the time of
4 purchase after giving effect to the conversion of all
5 outstanding convertible securities of the enterprise. In the
6 event of severe financial difficulty that in the judgment of
7 the Authority threatens the investment of the Authority
8 therein, a greater percentage of those securities may be
9 owned or acquired by the Authority.

10 Section 810-30. Investment in Pools of Funds. Proposals
11 for the establishment of pools of funds under paragraph (b)
12 of Section 810-20 of this Act shall be submitted on a form,
13 contain the information, and be accompanied by a fee as
14 prescribed by the Authority. The Authority shall not enter
15 into any agreement or contract under paragraph (b) of Section
16 810-20 of this Act unless the agreement or contract provides
17 that the pool of funds will be invested in an enterprise only
18 if the manager finds all of the following:

19 (a) The enterprise has a reasonable chance of success.

20 (b) The technology, product, process, or invention for
21 which the investment is being made is feasible and has the
22 potential to achieve commercial success.

23 (c) The enterprise has the potential to create
24 substantial employment within the State.

25 (d) The entrepreneur, investors, shareholders, or
26 founders of the enterprise have made or are obligated to make
27 a substantial commitment of time and funds to the enterprise.

28 (e) The possible gains in the investment are at least
29 commensurable with the risk of loss and there is a reasonable
30 possibility that the investors, including the Authority, will
31 recoup their investment within 10 years after the investment,
32 through the receipt of interest, dividends, capital gains, or
33 other distributions of profit or royalties.

1 (f) The enterprise shall have made binding commitments
2 for adequate reporting of and access to financing data of the
3 enterprise.

4 Section 810-35. Documentary materials concerning trade
5 secrets; Commercial or financial information; Confidentially.
6 Any documentary materials or data made or received by any
7 member, agent or employee of the Authority, to the extent
8 that such material or data consist of trade secrets,
9 commercial or financial information regarding the operation
10 of any enterprise conducted by an applicant for, or recipient
11 of, any form of assistance which the Authority is empowered
12 to render, or regarding the competitive position of such
13 enterprise in a particular field of endeavor, shall not be
14 deemed public records; provided, however, that if the
15 Authority purchases a qualified security from such
16 enterprise, the commercial and financial information,
17 excluding trade secrets, shall be deemed to become a public
18 record of the Authority after the expiration of 3 years from
19 the date of purchase of such qualified security, or, in the
20 case of such information made or received by any member,
21 agent or employee of the Authority after the purchase of such
22 qualified security, 3 years from the date such information
23 was made or received. Any discussion or consideration of such
24 trade secrets or commercial or financial information may be
25 held by the Authority, in executive sessions closed to the
26 public, notwithstanding the provisions of the Open Meetings
27 Act; provided, however, that the purpose of any such
28 executive session shall be set forth in the official minutes
29 of the Authority and business which is not related to such
30 purpose shall not be transacted, nor shall any vote be taken
31 during such executive sessions.

32 Section 810-40. Tax Exemption. The Illinois Venture

1 Investment Fund and all its proceeds shall be and are hereby
2 declared exempt from all franchise and income taxes levied by
3 the State, provided nothing herein shall be construed to
4 exempt from any such taxes, or from any taxes levied in
5 connection with the manufacture, production, use or sale of
6 any technologies, products, processes or inventions which are
7 the subject of any agreement earned by any enterprise in
8 which the Authority has invested.

9 ARTICLE 815

10 LAND BANK FUND

11 Section 815-5. Findings and Declaration of Policy. It is
12 hereby found and declared that there exists within the State
13 a condition of substantial and persistent unemployment which
14 is detrimental to the welfare of the people of the State;
15 that the absence of an orderly conversion and development of
16 certain property results in blight, economic dislocation, and
17 additional unemployment; that there exists within the State a
18 significant resource of under utilized property which, if
19 returned to productive economic use, will increase
20 employment, increase revenues for the State and units of
21 local government, and lead to a more stable economy; that the
22 acquisition, development or disposition of such land or
23 property in conjunction with units of local government, local
24 industrial development agencies and private enterprise in
25 accordance with development plans will stimulate economic
26 development within the State; that the establishment of the
27 Illinois Land Bank Fund and the exercise by the Authority of
28 the powers granted in this Article will promote economic
29 development resulting in increased employment and public
30 revenues; and that the provisions of this Act are hereby
31 declared to be in the public interest and benefit and a valid
32 public purpose.

1 Section 815-10. Definitions. The following terms,
2 whenever used or referred to in this Article, shall have the
3 following meanings ascribed to them, except where the context
4 clearly requires otherwise:

5 (a) "Property" means land, parcels or combination of
6 parcels, structures, and all improvements, easements and
7 franchises;

8 (b) "Redevelopment area" means any property which is a
9 contiguous area of at least 2 acres but less than 160 acres
10 in the aggregate located within one and one-half miles of the
11 corporate limits of a municipality and not included within
12 any municipality, where, (1) if improved, a substantial
13 proportion of the industrial, commercial and residential
14 buildings or improvements are detrimental to the public
15 safety, health, morals or welfare because of a combination of
16 any of the following factors: age; physical configuration;
17 dilapidation; structural or economic obsolescence;
18 deterioration; illegal use of individual structures; presence
19 of structures below minimum code standards; excessive and
20 sustained vacancies; overcrowding of structures and community
21 facilities; inadequate ventilation, light, sewer, water,
22 transportation and other infrastructure facilities;
23 inadequate utilities; excessive land coverage; deleterious
24 land use or layout; depreciation or lack of physical
25 maintenance; and lack of community planning; or (2) if
26 vacant, the sound utilization of land for industrial projects
27 is impaired by a combination of 2 or more of the following
28 factors: obsolete platting of the vacant land; diversity of
29 ownership of such land; tax and special assessment
30 delinquencies on such land; and deterioration of structures
31 or site improvements in neighboring areas to the vacant land,
32 or the area immediately prior to becoming vacant qualified as
33 a redevelopment improved area; or (3) if an improved area
34 within the boundaries of a development project is located

1 within the corporate limits of the municipality in which 50%
2 or more of the structures in the area have an age of 35 years
3 or more, such area does not qualify under clause (1) but is
4 detrimental to the public safety, health morals or welfare
5 and such area may become a redevelopment area pursuant to
6 clause (1) because of a combination of 3 or more of the
7 factors specified in clause (1).

8 (c) "Enterprise" means an individual, corporation,
9 partnership, joint venture, trust, estate or unincorporated
10 association;

11 (d) "Development plan" means the comprehensive program of
12 the Authority and the participating entity to reduce or
13 eliminate those conditions the existence of which qualified
14 the project area as a redevelopment area. Each development
15 plan shall set forth in writing the program to be undertaken
16 to accomplish such objectives and shall include, without
17 limitation, estimated development project costs, the sources
18 of funds to pay costs, the nature and term of any obligations
19 to be issued, the most recent equalized assessed valuation of
20 the project area, an estimate as to the equalized assessed
21 valuation after development and the general land uses to
22 apply in the project area.

23 (e) "Development project" means any project in
24 furtherance of the objectives of a development plan,
25 including any building or buildings or building addition or
26 other structures to be newly constructed, renovated or
27 improved and suitable for use by an enterprise as an
28 industrial project, and includes the sites and other rights
29 in the property on which such buildings or structures are
30 located.

31 (f) "Participating entity" means a municipality, a local
32 industrial development agency or an enterprise or any
33 combination thereof.

1 Section 815-15. Illinois Land Bank Fund; Creation; Use.
2 There is hereby created the Illinois Land Bank Fund,
3 hereafter referred to in Sections 815-15 through 815-30 of
4 this Act as the "Fund". The Treasurer of the Authority shall
5 have custody of the Fund, which shall be held outside of the
6 State Treasury. The Authority is authorized to accept any and
7 all grants, loans, subsidies, matching funds, reimbursements,
8 appropriations, transfers of appropriations, federal grant
9 monies, income derived from investments, or other things of
10 value from the federal or state governments or units of local
11 government or any agency thereof or from an enterprise for
12 deposit in the Fund. The Authority is authorized to use
13 monies deposited in the Fund expressly for the purposes
14 specified in and according to the procedures established by
15 Sections 815-20 through 815-30 of this Act.

16 Section 815-20. Powers and Duties.

17 (a) The Authority shall have the following powers with
18 respect to redevelopment areas:

19 (1) To acquire and possess property in a
20 redevelopment area;

21 (2) To clear any such areas so acquired by
22 demolition of existing structures and buildings and to
23 make necessary improvements to the property essential to
24 its reuse in conformity with a development plan; and

25 (3) To convey property for use in accordance with a
26 development plan.

27 (b) Before acquiring property under this Section the
28 Authority shall hold a public hearing after notice published
29 in a newspaper of general circulation in the county in which
30 the property is located and shall find:

31 (1) The property is in a redevelopment area;

32 (2) Such acquisition or possession is necessary or
33 reasonably required to retain existing enterprises or

1 attract new enterprises and to promote sound economic
2 growth and to carry out the purposes of Section 815-5
3 through 815-30 of this Act;

4 (3) The assembly of property is not unduly
5 competitive with similar assemblies by private enterprise
6 in the area or surrounding areas; and

7 (4) The participating entity, without the
8 involvement of the Authority, would be unlikely,
9 unwilling or unable to undertake such redevelopment of
10 the property as was necessary for economic development.

11 (c) No property may be acquired by the Authority unless
12 the acquisition is consented to by resolution of the
13 corporate authorities of the municipality with jurisdiction
14 over the property under Section 11-12-6 of the Municipal
15 Code.

16 (d) The Authority may acquire any interest in property in
17 a redevelopment area by purchase, lease, or gift, but shall
18 not have the power of condemnation.

19 (e) No property shall be acquired under this Section
20 unless the Authority has adopted a development plan under the
21 provisions of Section 815-25.

22 Section 815-25. Development Plans.

23 (a) No development plan shall be approved by the
24 Authority unless after a public hearing held upon notice
25 published in a newspaper of general circulation in the county
26 where the property is located, the Authority finds:

27 (1) The plan provides for projects which will reduce
28 unemployment;

29 (2) The redevelopment area on the whole has not been
30 subject to growth and development through investment by
31 private enterprise and would not reasonably be
32 anticipated to be developed without the adoption of the
33 development plan;

1 (3) The corporate authorities of the municipality
2 with jurisdiction over the property under Section 11-12-6
3 of the Municipal Code have by resolution found that the
4 development plan conforms to the comprehensive plan of
5 the municipality;

6 (4) A participating entity has agreed to enter into
7 such contracts and other agreements as are necessary to
8 acquire, redevelop and improve the property in accordance
9 with the development plan;

10 (5) The acquisition of the property, its possession
11 and ultimate use according to the development plan can be
12 financed by participating entities and the Authority and
13 the development plan will be completed and all
14 obligations of the Authority incurred in connection with
15 the redevelopment plan will be retired within 20 years
16 from the Authority's approval of the development plan;
17 and

18 (6) The development plan meets such other
19 requirements as the Authority may establish by rule.

20 (b) The Authority may dispose of any property which is
21 the subject of a development plan in such manner, whether by
22 sale, lease or otherwise, and for such price, rental or other
23 consideration, including an amount not less than 2/3 of its
24 acquisition cost, payable over such term, and bearing
25 interest as to deferred payments, and secured in such manner,
26 by mortgage or otherwise, all as the Authority shall provide
27 in the development plan.

28 (c) Pending disposition of such land, any existing
29 property acquired by the Authority in the course of carrying
30 out the provisions of this Act may be adequately and properly
31 preserved, and may be maintained, leased or administered by
32 the Authority by a contract made by the Authority with any
33 participating entity, enterprise or individual with
34 experience in the area of property development, management or

1 administration.

2 (d) Whenever the Authority shall have approved a
3 development plan, the Authority may amend the development
4 plan from time to time in conformity with this Section.

5 Section 815-30. Local Planning; Relocation Costs. The
6 Authority may arrange or contract with a municipality or
7 municipalities for the planning, re-planning, opening,
8 grading or closing of streets, roads, alleys or other places
9 or for the furnishing of facilities or for the acquisition by
10 the municipality or municipalities of property or property
11 rights or for the furnishing of property or services in
12 connection with a development project or projects. The
13 Authority is hereby authorized to pay the reasonable
14 relocation costs, up to a total of \$25,000 per relocatee, of
15 persons and businesses displaced as a result of carrying out
16 a development plan as authorized by this Article.

17 ARTICLE 820

18 LOCAL GOVERNMENT

19 Section 820-5. Findings and Declaration of Policy. It is
20 hereby found and declared that there exists an urgent need to
21 upgrade and expand the capital facilities, infrastructure and
22 public purpose projects of units of local government and to
23 promote other public purposes to be carried out by units of
24 local government; that federal funding reductions combined
25 with shifting economic conditions have impeded efforts by
26 units of local governments to provide the necessary
27 improvements to their capital facilities, infrastructure
28 systems and public purpose projects and to accomplish other
29 public purposes in recent years; that adequate and well
30 maintained capital facilities, infrastructure systems and
31 public purpose projects throughout this State and the

1 performance of other public purposes by units of local
2 government throughout this State can offer significant
3 economic benefits and an improved quality of life for all
4 citizens of this State; that the exercise by the Authority of
5 the powers granted in this Article will promote economic
6 development by enhancing the capital stock of units of local
7 governments and will facilitate the accomplishment of other
8 public purposes by units of local government; that
9 authorizing the Authority to borrow money in the public and
10 private capital markets in order to provide money to purchase
11 or otherwise acquire obligations of units of local government
12 will assist such units of local government in borrowing money
13 to finance and refinance the public purpose projects, capital
14 facilities and infrastructure of the units and to finance
15 other public purposes of such units of local government, in
16 providing access to adequate capital markets and facilities
17 for borrowing money by such units of local government, in
18 encouraging continued investor interest in the obligations of
19 such units of local government, in providing for the orderly
20 marketing of the obligations of such units of local
21 government, and in achieving lower overall borrowing cost and
22 more favorable terms for such borrowing; and that the
23 provisions of this Article are hereby declared to be in the
24 public interest and for the public benefit.

25 Section 820-10. Definitions. The following words or
26 terms, whenever used or referred to in this Article, shall
27 have the following meanings ascribed to them, except where
28 the context clearly requires otherwise:

29 (a) "Department" means the Illinois Department of
30 Commerce and Economic Opportunity.

31 (b) "Unit of local government" means any unit of local
32 government, as defined in Article VII, Section 1 of the 1970
33 State Constitution and any local public entity as that term

1 is defined by the Local Governmental and Governmental
2 Employees Tort Immunity Act and also includes the State and
3 any instrumentality, office, officer, department, division,
4 bureau, commission, college or university thereof.

5 (c) "Energy conservation project" means any improvement,
6 repair, alteration or betterment of any building or facility
7 or any equipment, fixture or furnishing including its energy
8 using mechanical devices to be added to or used in any
9 building or facility that the Director of the Department has
10 certified to the Authority will be a cost effective energy
11 related project that will lower energy or utility costs in
12 connection with the operation or maintenance of such building
13 or facility, and will achieve energy cost savings sufficient
14 to cover bond debt service and other project costs within 10
15 years from the date of project installation.

16 Section 820-15. Creation of Reserve Funds. The Authority
17 may establish and maintain one or more reserve funds in which
18 there may be one or more accounts in which there may be
19 deposited:

20 (a) Any proceeds of bonds issued by the Authority
21 required to be deposited therein by the terms of any contract
22 between the Authority and its bondholders or any resolution
23 of the Authority;

24 (b) Any other moneys or funds of the Authority which it
25 may determine to deposit therein from any other source; and

26 (c) Any other moneys or funds made available to the
27 Authority, including without limitation any proceeds of any
28 local government security or any taxes or revenues, rates,
29 charges, assessments, grants, or other funds pledged or
30 assigned to pay, repay or secure any local government
31 security. Subject to the terms of any pledge to the owners of
32 any bond, moneys in any reserve fund may be held and applied
33 to the payment of the interest, premium, if any, or principal

1 of bonds or local government securities or for any other
2 purpose authorized by the Authority.

3 Section 820-20. Powers and Duties; Illinois Local
4 Government Financing Assistance Program. The Authority has
5 the power:

6 (a) To purchase from time to time pursuant to negotiated
7 sale or to otherwise acquire from time to time any local
8 government securities issued by one or more units of local
9 government upon such terms and conditions as the Authority
10 may prescribe;

11 (b) To issue bonds in one or more series pursuant to one
12 or more resolutions of the Authority for any purpose
13 authorized under this Article, including without limitation
14 purchasing or acquiring local government securities,
15 providing for the payment of any interest deemed necessary on
16 such bonds, paying for the cost of issuance of such bonds,
17 providing for the payment of the cost of any guarantees,
18 letters of credit, insurance contracts or other similar
19 credit support or liquidity instruments, or providing for the
20 funding of any reserves deemed necessary in connection with
21 such bonds and refunding or advance refunding of any such
22 bonds and the interest and any premium thereon, pursuant to
23 this Act;

24 (c) To provide for the funding of any reserves or other
25 funds or accounts deemed necessary by the Authority in
26 connection with any bonds issued by the Authority or local
27 government securities purchased or otherwise acquired by the
28 Authority;

29 (d) To pledge any local government security, including
30 any payments thereon, and any other funds of the Authority or
31 funds made available to the Authority which may be applied to
32 such purpose, as security for any bonds or any guarantees,
33 letters of credit, insurance contracts or similar credit

1 support or liquidity instruments securing the bonds;

2 (e) To enter into agreements or contracts with third
3 parties, whether public or private, including without
4 limitation the United States of America, the State, or any
5 department or agency thereof to obtain any appropriations,
6 grants, loans or guarantees which are deemed necessary or
7 desirable by the Authority. Any such guarantee, agreement or
8 contract may contain terms and provisions necessary or
9 desirable in connection with the program, subject to the
10 requirements established by this Article;

11 (f) To charge reasonable fees to defray the cost of
12 obtaining letters of credit, insurance contracts or other
13 similar documents, and to charge such other reasonable fees
14 to defray the cost of trustees, depositories, paying agents,
15 bond registrars, escrow agents and other administrative
16 expenses. Any such fees shall be payable by units of local
17 government whose local government securities are purchased or
18 otherwise acquired by the Authority pursuant to this Article,
19 in such amounts and at such times as the Authority shall
20 determine, and the amount of the fees need not be uniform
21 among the various units of local government whose local
22 government securities are purchased or otherwise acquired by
23 the Authority pursuant to this Article;

24 (g) To obtain and maintain guarantees, letters of credit,
25 insurance contracts or similar credit support or liquidity
26 instruments which are deemed necessary or desirable in
27 connection with any bonds or other obligations of the
28 Authority or any local government securities;

29 (h) To establish application fees and other service fees
30 and prescribe application, notification, contract, agreement,
31 security and insurance forms and rules and regulations it
32 deems necessary or appropriate;

33 (i) To provide technical assistance, at the request of
34 any unit of local government, with respect to the financing

1 or refinancing for any public purpose. In fulfillment of this
2 purpose, the Authority may request assistance from the
3 Department as necessary; any unit of local government that is
4 experiencing either a financial emergency as defined in the
5 Local Government Financial Planning and Supervision Act or a
6 condition of fiscal crisis evidenced by an impaired ability
7 to obtain financing for its public purpose projects from
8 traditional financial channels or impaired ability to fully
9 fund its obligations to fire, police and municipal employee
10 pension funds, or to bond payments or reserves, may request
11 technical assistance from the Authority in the form of a
12 diagnostic evaluation of its financial condition;

13 (j) To purchase any obligations of the Authority issued
14 pursuant to this Article;

15 (k) To sell, transfer or otherwise dispose of local
16 government securities purchased or otherwise acquired by the
17 Authority pursuant to this Article, including without
18 limitation, the sale, transfer or other disposition of
19 undivided fractionalized interests in the right to receive
20 payments of principal and premium, if any, or the right to
21 receive payments of interest or the right to receive payments
22 of principal of and premium, if any, and interest on pools of
23 such local government securities;

24 (l) To acquire, purchase, lease, sell, transfer and
25 otherwise dispose of real and personal property, or any
26 interest therein, and to issue its bonds and enter into
27 leases, contracts and other agreements with units of local
28 government in connection with such acquisitions, purchases,
29 leases, sales and other dispositions of such real and
30 personal property;

31 (m) To make loans to banks, savings and loans and other
32 financial institutions for the purpose of purchasing or
33 otherwise acquiring local government securities, and to issue
34 its bonds, and enter into agreements and contracts in

1 connection with such loans;

2 (n) To enter into agreements or contracts with any person
3 necessary or appropriate to place the payment obligations of
4 the Authority under any of its bonds in whole or in part on
5 any interest rate basis, cash flow basis, or other basis
6 desired by the Authority, including without limitation
7 agreements or contracts commonly known as "interest rate swap
8 agreements," "forward payment conversion agreements," and
9 "futures," or agreements or contracts to exchange cash flows
10 or a series of payments, or agreements or contracts,
11 including without limitation agreements or contracts commonly
12 known as "options," "puts" or "calls," to hedge payment, rate
13 spread, or similar exposure; provided, that any such
14 agreement or contract shall not constitute an obligation for
15 borrowed money, and shall not be taken into account under
16 Section 845-5 of this Act or any other debt limit of the
17 Authority or the State of Illinois;

18 (o) To make and enter into all other agreements and
19 contracts and execute all instruments necessary or incidental
20 to performance of its duties and the execution of its powers
21 under this Article;

22 (p) To contract for and finance the costs of energy
23 audits, project-specific engineering and design
24 specifications, and any other related analyses preliminary to
25 an energy conservation project; and, to contract for and
26 finance the cost of project monitoring and data collection to
27 verify post-installation energy consumption and
28 energy-related operating costs. Any such contract shall be
29 executed only after it has been jointly negotiated by the
30 Authority and the Department; and

31 (q) To exercise such other powers as are necessary or
32 incidental to the foregoing.

33 Section 820-25. Unit of Local Government Participation.

1 Any unit of local government is authorized to voluntarily
2 participate in this program. Any unit of local government
3 which is authorized to issue, sell and deliver its local
4 government securities under any provision of the Constitution
5 or laws of the State may issue, sell and deliver such local
6 government securities to the Authority under this Article;
7 provided that and notwithstanding any other provision of law
8 to the contrary, any such unit of local government may issue
9 and sell any such local government security at any interest
10 rate or rates, which rate or rates may be established by an
11 index or formula which may be implemented by persons
12 appointed or retained therefor, payable at such time or
13 times, and at such price or prices to which the unit of local
14 government and the Authority may agree. Any unit of local
15 government may pay any amount charged by the Authority
16 pursuant to this Article. Any unit of local government
17 participating in this program may pay out of the proceeds of
18 its local government securities or out of any other moneys or
19 funds available to it for such purposes any costs, fees,
20 interest deemed necessary, premium or reserves incurred or
21 required for financing or refinancing this program, including
22 without limitation any fees charged by the Authority pursuant
23 to this Article and its share, as determined by the
24 Authority, of any costs, fees, interest deemed necessary,
25 premium or reserves incurred or required pursuant to Section
26 820-20 of this Act. All local government securities purchased
27 or otherwise acquired by the Authority pursuant to this Act
28 shall upon delivery to the Authority be accompanied by an
29 approving opinion of bond counsel as to the validity of such
30 securities. The Authority shall have discretion to purchase
31 or otherwise acquire those local government securities, as it
32 shall deem to be in the best interest of its financing
33 program for all units of local government taken as a whole.

1 Section 820-30. Criteria for Participation in the
2 Program. If the Authority requires an application for
3 participation in the Program, upon submission of any such
4 application, the Authority or any entity on behalf of the
5 Authority shall review such application for its completeness
6 and may at its discretion, accept or reject such application
7 or request such additional information as it deems necessary
8 or advisable to aid its review. In the course of its review,
9 the Authority may consider but shall not be limited to the
10 following factors:

11 (a) Whether the public purpose for which the local
12 government security is to be issued will have a significant
13 impact on the economy, environment, health or safety of the
14 unit of local government;

15 (b) The extent to which the public purpose for which the
16 local government security is to be issued will provide
17 reinforcement for other community and economic development
18 related investments by such units of local government;

19 (c) The credit worthiness of the unit of local government
20 and the local government security, including, without
21 limitation, the ability of the unit of local government to
22 comply with the credit requirements of the provider of any
23 guarantees, letters of credit, insurance contracts or other
24 similar credit support or liquidity instruments; and

25 (d) Such other factors as deemed necessary by the
26 Authority which are consistent with the intent of this Act.

27 Section 820-35. The Authority shall assist the Department
28 to establish and implement a program to assist units of local
29 government to identify and arrange financing for energy
30 conservation projects in buildings and facilities owned or
31 leased by units of local government. Such bonds shall not
32 constitute an indebtedness or obligation of the State of
33 Illinois and it shall be plainly stated on the face of each

1 bond that it does not constitute such an indebtedness or
2 obligation but is payable solely from the revenues, income or
3 other assets of the Authority pledged therefor.

4 Section 820-40. Investment of Moneys. Any moneys at any
5 time held by the Authority pursuant to this Article shall be
6 held outside the State Treasury in the custody of either the
7 Treasurer of the Authority or a trustee or depository
8 appointed by the Authority. Such moneys may be invested in
9 (a) investments authorized by the Public Funds Investment
10 Act, (b) obligations issued by any State, unit of local
11 government or school district, which obligations are rated at
12 the time of purchase by a national rating service within the
13 2 highest rating classifications without regard to any rating
14 refinement or gradation by numerical or other modifier, (c)
15 equity securities of an investment company registered under
16 the Investment Company Act of 1940 whose sole assets, other
17 than cash and other temporary investments, are obligations
18 which are eligible investments for the Authority, or (d)
19 investment contracts under which securities are to be
20 purchased and sold at a predetermined price on a future date,
21 or pursuant to which moneys are deposited with a bank or
22 other financial institution and the deposits are to bear
23 interest at an agreed upon rate, provided that such
24 investment contracts are with a bank or other financial
25 institution whose obligations are rated at the time of
26 purchase by a national rating service within the 2 highest
27 rating classifications without regard to any rating
28 refinement or gradation by numerical or other modifier. The
29 interest, dividends or other earnings from such investments
30 may be used to pay administrative costs of the Authority
31 incurred in administering the program or trustee or
32 depository fees incurred in connection with such program.

1 Section 820-45. Pledge of Revenues by the Authority. Any
2 pledge of revenues or other moneys made by the Authority
3 shall be binding from the time the pledge is made. Revenues
4 and other moneys so pledged shall be held outside of the
5 State Treasury and in the custody of either the Treasurer of
6 the Authority or a trustee or a depository appointed by the
7 Authority. Revenues or other moneys so pledged and thereafter
8 received by the Authority or such trustee or depository shall
9 immediately be subject to the lien of the pledge without any
10 physical delivery thereof or further act, and the lien of any
11 pledge shall be binding against all parties having claims of
12 any kind of tort, contract or otherwise against the
13 Authority, irrespective of whether the parties have notice
14 thereof. Neither the resolution nor any other instrument by
15 which a pledge is created need be filed or recorded except in
16 the records of the Authority. The State does pledge to and
17 agree with the holders of bonds, and the beneficial owners of
18 the local government securities, that the State will not
19 limit or restrict the rights hereby vested in the Authority
20 to purchase, acquire, hold, sell or dispose of local
21 government securities or other investments or to establish
22 and collect such fees or other charges as may be convenient
23 or necessary to produce sufficient revenues to meet the
24 expenses of operation of the Authority, and to fulfill the
25 terms of any agreement made with the holders of the bonds or
26 the beneficial owners of the local government securities or
27 in any way impair the rights or remedies of the holders of
28 those bonds or the beneficial owners of the local government
29 securities until such bonds or local government securities
30 are fully paid and discharged or provision for their payment
31 has been made.

32 Section 820-50. Pledge of Funds by Units of Local
33 Government.

1 (a) Pledge of Funds. Any unit of local government which
2 receives funds from the Department of Revenue, including
3 without limitation funds received pursuant to Sections
4 8-11-1, 8-11-1.4, 8-11-5 or 8-11-6 of the Illinois Municipal
5 Code, the Home Rule County Retailers' Occupation Tax Act, the
6 Home Rule County Service Occupation Tax Act, Sections
7 25.05-2, 25.05-3 or 25.05-10 of "An Act to revise the law in
8 relation to counties", Section 5.01 of the Local Mass Transit
9 District Act, Section 4.03 of the Regional Transportation
10 Authority Act, Sections 2 or 12 of the State Revenue Sharing
11 Act, or from the Department of Transportation pursuant to
12 Section 8 of the Motor Fuel Tax Law, or from the State
13 Superintendent of Education (directly or indirectly through
14 regional superintendents of schools) pursuant to Article 18
15 of the School Code, or any unit of government which receives
16 other funds which are at any time in the custody of the State
17 Treasurer, the State Comptroller, the Department of Revenue,
18 the Department of Transportation or the State Superintendent
19 of Education may by appropriate proceedings, pledge to the
20 Authority or any entity acting on behalf of the Authority
21 (including, without limitation, any trustee), any or all of
22 such receipts to the extent that such receipts are necessary
23 to provide revenues to pay the principal of, premium, if any,
24 and interest on, and other fees related to, or to secure, any
25 of the local government securities of such unit of local
26 government which have been sold or delivered to the Authority
27 or its designee or to pay lease rental payments to be made by
28 such unit of local government to the extent that such lease
29 rental payments secure the payment of the principal of,
30 premium, if any, and interest on, and other fees related to,
31 any local government securities which have been sold or
32 delivered to the Authority or its designee. Any pledge of
33 such receipts (or any portion thereof) shall constitute a
34 first and prior lien thereon and shall be binding from the

1 time the pledge is made.

2 (b) Direct Payment of Pledged Receipts. Any such unit of
3 local government may, by such proceedings, direct that all or
4 any of such pledged receipts payable to such unit of local
5 government be paid directly to the Authority or such other
6 entity (including without limitation any trustee) for the
7 purpose of paying the principal of, premium, if any, and
8 interest on, and fees relating to, such local government
9 securities or for the purpose of paying such lease rental
10 payments to the extent necessary to pay the principal of,
11 premium, if any, and interest on, and other fees related to,
12 such local government securities secured by such lease rental
13 payments. Upon receipt of a certified copy of such
14 proceedings by the State Treasurer, the State Comptroller,
15 the Department of Revenue, the Department of Transportation
16 or the State Superintendent of Education, as the case may be,
17 such Department or State Superintendent shall direct the
18 State Comptroller and State Treasurer to pay to, or on behalf
19 of, the Authority or such other entity (including, without
20 limitation, any trustee) all or such portion of the pledged
21 receipts from the Department of Revenue, or the Department of
22 Transportation or the State Superintendent of Education
23 (directly or indirectly through regional superintendents of
24 schools), as the case may be, sufficient to pay the principal
25 of and premium, if any, and interest on, and other fees
26 related to, the local governmental securities for which the
27 pledge was made or to pay such lease rental payments securing
28 such local government securities for which the pledge was
29 made. The proceedings shall constitute authorization for such
30 a directive to the State Comptroller to cause orders to be
31 drawn and to the State Treasurer to pay in accordance with
32 such directive. To the extent that the Authority or its
33 designee notifies the Department of Revenue, the Department
34 of Transportation or the State Superintendent of Education,

1 as the case may be, that the unit of local government has
2 previously paid to the Authority or its designee the amount
3 of any principal, premium, interest and fees payable from
4 such pledged receipts, the State Comptroller shall cause
5 orders to be drawn and the State Treasurer shall pay such
6 pledged receipts to the unit of local government as if they
7 were not pledged receipts. To the extent that such receipts
8 are pledged and paid to the Authority or such other entity,
9 any taxes which have been levied or fees or charges assessed
10 pursuant to law on account of the issuance of such local
11 government securities shall be paid to the unit of local
12 government and may be used for the purposes for which the
13 pledged receipts would have been used.

14 (c) Payment of Pledged Receipts upon Default. Any such
15 unit of local government may, by such proceedings, direct
16 that such pledged receipts payable to such unit of local
17 government be paid to the Authority or such other entity
18 (including without limitation any trustee) upon a default in
19 the payment of any principal of, premium, if any, or interest
20 on, or fees relating to, any of the local government
21 securities of such unit of local government which have been
22 sold or delivered to the Authority or its designee or any of
23 the local government securities which have been sold or
24 delivered to the Authority or its designee and which are
25 secured by such lease rental payments. If such local
26 governmental security is in default as to the payment of
27 principal thereof, premium, if any, or interest thereon, or
28 fees relating thereto, to the extent that the State
29 Treasurer, the State Comptroller, the Department of Revenue,
30 the Department of Transportation or the State Superintendent
31 of Education (directly or indirectly through regional
32 superintendents of schools) shall be the custodian at any
33 time of any other available funds or moneys pledged to the
34 payment of such local government securities or such lease

1 rental payments securing such local government securities
2 pursuant to this Section and due or payable to such a unit of
3 local government at any time subsequent to written notice to
4 the State Comptroller and State Treasurer from the Authority
5 or any entity acting on behalf of the Authority (including
6 without limitation any trustee) to the effect that such unit
7 of local government has not paid or is in default as to
8 payment of the principal of, premium, if any, or interest on,
9 or fees relating to, any local government security sold or
10 delivered to the Authority or any such entity (including
11 without limitation any trustee) or has not paid or is in
12 default as to the payment of such lease rental payments
13 securing the payment of the principal of, premium, if any, or
14 interest on, or other fees relating to, any local government
15 security sold or delivered to the Authority or such other
16 entity (including without limitation any trustee):

17 (i) The State Comptroller and the State Treasurer
18 shall withhold the payment of such funds or moneys from
19 such unit of local government until the amount of such
20 principal, premium, if any, interest or fees then due and
21 unpaid has been paid to the Authority or any such entity
22 (including without limitation any trustee), or the State
23 Comptroller and the State Treasurer have been advised
24 that arrangements, satisfactory to the Authority or such
25 entity, have been made for the payment of such principal,
26 premium, if any, interest and fees; and

27 (ii) Within 10 days after a demand for payment by
28 the Authority or such entity given to such unit of local
29 government, the State Treasurer and the State
30 Comptroller, the State Treasurer shall pay such funds or
31 moneys as are legally available therefor to the Authority
32 or such entity for the payment of principal of, premium,
33 if any, or interest on, or fees relating to, such local
34 government securities. The Authority or any such entity

1 may carry out this Section and exercise all the rights,
2 remedies and provisions provided or referred to in this
3 Section.

4 (d) Remedies. Upon the sale or delivery of any local
5 government securities of the Authority or its designee, the
6 local government which issued such local government
7 securities shall be deemed to have agreed that upon its
8 failure to pay interest or premium, if any, on, or principal
9 of, or fees relating to, the local government securities sold
10 or delivered to the Authority or any entity acting on behalf
11 of the Authority (including without limitation any trustee)
12 when payable, all statutory defenses to nonpayment are
13 thereby waived. Upon a default in payment of principal of or
14 interest on any local government securities issued by a unit
15 of local government and sold or delivered to the Authority or
16 its designee, and upon demand on the unit of local government
17 for payment, if the local government securities are payable
18 from property taxes and funds are not legally available in
19 the treasury of the unit of local government to make payment,
20 an action in mandamus for the levy of a tax by the unit of
21 local government to pay the principal of or interest on the
22 local government securities shall lie, and the Authority or
23 such entity shall be constituted a holder or owner of the
24 local government securities as being in default. Upon the
25 occurrence of any failure or default with respect to any
26 local government securities issued by a unit of local
27 government, the Authority or such entity may thereupon avail
28 itself of all remedies, rights and provisions of law
29 applicable in the circumstances, and the failure to exercise
30 or exert any rights or remedies within a time or period
31 provided by law may not be raised as a defense by the unit of
32 local government.

33 Section 820-55. Eligible Investments. Bonds, issued by

1 the Authority pursuant to the provisions of this Article,
2 shall be permissible investments within the provisions of
3 Section 85-40 of this Act.

4 Section 820-60. Tax Exemption. The exercise of powers
5 granted in this Article is in all respects for the benefit of
6 the people of Illinois and in consideration thereof the bonds
7 issued pursuant to the aforementioned Sections and the income
8 therefrom shall be free from all taxation by the State or its
9 political subdivisions, except for estate, transfer and
10 inheritance taxes. For purposes of Section 250 of the
11 Illinois Income Tax Act, the exemption of the income from
12 bonds issued under the aforementioned Sections shall
13 terminate after all of the bonds have been paid. The amount
14 of such income that shall be added and then subtracted on the
15 Illinois income tax return of a taxpayer, pursuant to Section
16 203 of the Illinois Income Tax Act, from federal adjusted
17 gross income or federal taxable income in computing Illinois
18 base income shall be the interest net of any bond premium
19 amortization.

20 ARTICLE 825

21 OTHER POWERS

22 Section 825-5. Motion Picture Production Program;
23 Findings and Declaration of Policy. It is hereby found and
24 declared that the production of motion pictures has an
25 enormous potential for contributing to the economic
26 well-being of the State and its communities; that a critical
27 mass of movie productions is essential to the continuing
28 viability of this fledgling industry in Illinois; that to
29 achieve this critical mass, a financial inducement to attract
30 movie productions to the State is required; and that the
31 provisions of this Act are hereby declared to be in the

1 public interest and for the public benefit.

2 Section 825-10. The Authority may develop a program for
3 financing the production of motion pictures in the State of
4 Illinois. All projects financed by the Authority shall
5 require the approval of both the Illinois Arts Council and
6 the Authority.

7 Section 825-15. Credit Enhancement Development Fund.

8 (a) There is hereby created the Credit Enhancement
9 Development Fund in the Authority. The Treasurer shall have
10 custody of the fund, which shall be held outside the State
11 Treasury. Custody may be transferred to and held by any
12 fiduciary with whom the Authority executes a trust agreement.
13 All or any portion of such amounts may be used (i) to pay
14 principal, interest and premium, if any, on any bonds issued
15 by the Authority or to fund any reserves or accounts created
16 for such purpose, (ii) to pay the cost of any letter of
17 credit, insurance or third party guarantee provided with
18 respect to any bond issued by the Authority or loan made by
19 the Authority, (iii) to guarantee or otherwise enhance the
20 credit of any bond issued by the Authority or loan made by
21 the Authority, or (iv) to make loans to any person,
22 corporation or unit of local government for any project
23 authorized to be financed by the Authority under this Act.

24 (b) The Authority shall report to the Governor and the
25 General Assembly no later than June 1, 2004, on the extent to
26 which its use of monies in this Fund has enhanced the credit
27 worthiness of its bonds issued or loans made with respect to
28 any person, thereby reducing the cost of financing projects
29 authorized by this Act.

30 Section 825-20. Financially Distressed City Assistance
31 Program; Findings and Declarations of Policy. It is hereby

1 found and declared that there exists an urgent need to reduce
2 involuntary unemployment and economic stagnation within
3 financially distressed cities and to create therein a more
4 favorable economic climate for the development of new and
5 improved employment opportunities for the citizens of such
6 cities; that to address such need it is necessary to promote
7 sound financial management and fiscal integrity within such
8 cities in order to provide a secure financial basis for their
9 continued operation; and that implementation of a financially
10 distressed city assistance program under the provisions of
11 this Act is declared to be in the public interest and for the
12 public benefit.

13 Section 825-25. Definition. As used in Sections 825-20
14 through 825-60 of this Act, the term "financially distressed
15 city" means a unit of local government which has been
16 certified and designated as a financially distressed city
17 under Section 8-12-4 of the Illinois Municipal Code and to
18 which the provisions of Division 12 of Article 8 of that Code
19 have become applicable as provided by that Section 8-12-4.

20 Section 825-30. Powers and Duties; Financing.

21 (a) Upon application of the financial advisory authority
22 established for a financially distressed city under Division
23 12 of Article 8 of the Illinois Municipal Code, the Authority
24 shall have the power to issue its bonds, notes or other
25 evidences of indebtedness, the proceeds of which are to be
26 used to make loans to a financially distressed city for
27 purposes of enabling that city to restructure its current
28 indebtedness and to provide and pay for its essential
29 municipal services as determined in a manner consistent with
30 Division 12 of Article 8 of the Illinois Municipal Code by
31 the financial advisory authority established for that city
32 under that Division 12.

1 (b) Bonds authorized to be issued by the Authority under
2 Sections 825-20 through 825-60 shall be payable from such
3 revenues, income, funds and accounts of the financially
4 distressed city which receives a loan of any proceeds of the
5 bonds so issued as the Authority shall determine and
6 prescribe in the loan agreement.

7 (c) The Authority may prescribe the form and contents of
8 any application submitted under subsection (a) of this
9 Section and may, at its discretion, accept or reject such
10 application or require such additional information as it
11 deems necessary to aid in its review and determination of
12 whether it will issue its bonds and loan the proceeds thereof
13 as authorized under Sections 825-20 through 825-60.

14 (d) The amount of bonds issued or proceeds thereof loaned
15 by the Authority with respect to an application which the
16 Authority has approved shall be determined by the Authority.

17 (e) The financially distressed city receiving a loan
18 under Sections 825-20 through 825-60 shall enter into a loan
19 agreement in the form and manner prescribed by the Authority,
20 and shall pay back to the Authority the principal amount of
21 the loan, plus annual interest as determined by the
22 Authority. The Authority shall have the power, subject to
23 appropriations by the General Assembly, to subsidize or buy
24 down a portion of the interest on such loans, up to 4% per
25 annum.

26 (f) The Authority shall create and establish a debt
27 service reserve fund to be maintained by a trustee separate
28 and segregated from all other funds and accounts of the
29 Authority. This reserve fund shall be initially funded by a
30 contribution of State monies.

31 (g) The amount to be accumulated in the debt service
32 reserve fund shall be determined by the Authority but shall
33 not exceed the maximum amount of interest, principal and
34 sinking fund installments due in any succeeding calendar

1 year.

2 Section 825-35. Pledge of Funds. Any financially
3 distressed city which receives funds from the Department of
4 Revenue, including without limitation funds received pursuant
5 to Section 8-11-1, 8-11-5 or 8-11-6 of the Illinois Municipal
6 Code or Section 2 or 12 of the State Revenue Sharing Act, or
7 from the Department of Transportation pursuant to Section 8
8 of the Motor Fuel Tax Law, may, by appropriate proceedings,
9 pledge to the Authority, or any entity acting on behalf of
10 the Authority (including, without limitation, any trustee),
11 any or all of such receipts to the extent that such receipts
12 are determined by the Authority to be necessary to provide
13 revenues to pay or secure the payment of the principal of,
14 premium, if any, and interest on any of the bonds issued on
15 behalf of, or loans made to the financially distressed city
16 by the Authority under Sections 825-20 through 825-60. The
17 adoption of such proceedings shall constitute a directive to
18 the State Comptroller and State Treasurer to pay to, or on
19 behalf of, the Authority or such other entity (including,
20 without limitation, any trustee) such portion of the pledged
21 receipts from the Department of Revenue or Department of
22 Transportation, as the case may be, and with the State
23 Comptroller and the State Treasurer. With respect to any
24 bonds issued on behalf of, or loans made to the financially
25 distressed city by the Authority under Sections 825-20
26 through 825-60, which are in default in the payment of
27 principal, premium, if any, or interest, to the extent that
28 the State Treasurer, the State Comptroller, the Department of
29 Revenue or the Department of Transportation shall be the
30 custodian at any time of any other available funds or moneys
31 pledged to the payment of such local government securities or
32 such lease rental payments securing such local government
33 securities pursuant to this Section and due or payable to

1 such a unit of local government at any time subsequent to
2 written notice to the State Comptroller and State Treasurer
3 from the Authority or any entity acting on behalf of the
4 Authority (including, without limitation, any trustee) to the
5 effect that such financially distressed city has not paid or
6 is in default as to payment of the principal of, premium, if
7 any, or interest on any bonds issued on behalf of, or loans
8 made to the financially distressed city by the Authority
9 under Sections 825-20 through 825-60:

10 (a) The State Comptroller and the State Treasurer shall
11 withhold the payment of such funds or moneys from the
12 financially distressed city until the amount of such
13 principal, premium, if any, and interest then due and unpaid
14 has been paid to the Authority or such entity acting on
15 behalf of the Authority (including, without limitation, any
16 trustee), or the State Comptroller or State Treasurer have
17 been advised that arrangements, satisfactory to the Authority
18 or such entity, have been made for the payment of such
19 principal, premium, if any, and interest; and

20 (b) Within 10 days after a demand for payment by the
21 Authority or such entity is given to the State Treasurer and
22 the State Comptroller, the State Treasurer shall pay such
23 funds or moneys as are legally available therefor to the
24 Authority or such entity for the payment of principal,
25 premium, if any, and interest on such bonds or loans. The
26 Authority or such entity may carry out this Section and
27 exercise all the rights, remedies and provisions provided or
28 referred to in this Section.

29 Section 825-40. Additional security. In the event that
30 the Authority determines that funds pledged, intercepted or
31 otherwise received or to be received by the Authority under
32 Section 825-20 of this Act will not be sufficient for the
33 payment of the principal, premium, if any, and interest

1 during the next State fiscal year on any bonds issued by the
2 Authority under Sections 825-20 through 825-60, the Chairman,
3 as soon as is practicable, shall certify to the Governor the
4 amount required by the Authority to enable it to pay the
5 principal, premium, if any, and interest falling due on such
6 bonds. The Governor shall submit the amount so certified to
7 the General Assembly as soon as practicable, but no later
8 than the end of the current State fiscal year. This paragraph
9 shall not apply to any bonds as to which the Authority shall
10 have determined, in the resolution authorizing their
11 issuance, that this paragraph shall not apply. Whenever the
12 Authority makes such a determination, that fact shall be
13 plainly stated on the face of such bonds and that fact shall
14 also be reported to the Governor. In the event of a
15 withdrawal of moneys from a debt service reserve fund
16 established with respect to any issue or issues of bonds of
17 the Authority to pay principal and interest on those bonds,
18 the Chairman, as soon as practicable, shall certify to the
19 Governor the amount required to restore such reserve funds to
20 the level required in the resolution or indenture securing
21 the bonds. The Governor shall submit the amount so certified
22 to the General Assembly as soon as practicable, but not later
23 than the end of the current State fiscal year.

24 Section 825-50. Eligible Investments. Bonds issued by the
25 Authority pursuant to Sections 825-20 through 825-60 shall be
26 permissible investments within the provisions of Section
27 805-40.

28 Section 825-55. Tax Exemption. The exercise of the
29 powers granted in Sections 825-20 through 825-60 are in all
30 respects for the benefit of the people of Illinois, and in
31 consideration thereof shall be free from all taxation by the
32 State or its political subdivisions, except for estate,

1 transfer and inheritance taxes. For the purposes of Section
2 250 of the Illinois Income Tax Act, the exemption of the
3 income from bonds issued under the aforementioned Sections
4 shall terminate after all of the bonds have been paid. The
5 amount of such income that shall be added and then subtracted
6 on the Illinois income tax return of a taxpayer, pursuant to
7 Section 203 of the Illinois Income Tax Act, from federal
8 adjusted gross income or federal taxable income in computing
9 Illinois base income shall be the interest net of any bond
10 premium amortization.

11 Section 825-60. Financially Distressed City Assistance
12 Program Limitation. In addition to the bonds authorized to be
13 issued under Sections 801-40(w), 825-65(e), 830-25 and 845-5,
14 the Authority may have outstanding at any time, bonds for the
15 purposes enumerated in Sections 825-20 through 825-60 in an
16 aggregate principal amount that shall not exceed \$50,000,000.
17 Such bonds shall not constitute an indebtedness or obligation
18 of the State of Illinois, and it shall be plainly stated on
19 the face of each bond that it does not constitute such an
20 indebtedness or obligation but is payable solely from the
21 revenues, income or other assets of the Authority pledged
22 therefor.

23 Section 825-65. Clean Coal and Energy Project Financing.

24 (a) Findings and declaration of policy. It is hereby
25 found and declared that Illinois has abundant coal resources
26 and, in some areas of Illinois, the demand for power exceeds
27 the generating capacity. Incentives to encourage the
28 construction of coal-fired electric generating plants in
29 Illinois to ensure power generating capacity into the future
30 are in the best interests of all of the citizens of Illinois.
31 The Authority is authorized to issue bonds to help finance
32 Clean Coal and Energy projects pursuant to this Section.

1 (b) Definition. "Clean Coal and Energy projects" means
2 new electric generating facilities, as defined in Section
3 605-332 of the Department of Commerce and Economic
4 Opportunity Law of the Civil Administrative Code of Illinois,
5 which may include mine-mouth power plants, projects that
6 employ the use of clean coal technology, projects to provide
7 scrubber technology for existing energy generating plants, or
8 projects to provide electric transmission facilities.

9 (c) Creation of reserve funds. The Authority may
10 establish and maintain one or more reserve funds to enhance
11 bonds issued by the Authority for Clean Coal and Energy
12 projects to develop alternative energy sources, including
13 renewable energy projects, projects to provide scrubber
14 technology for existing energy generating plants or projects
15 to provide electric transmission facilities. There may be one
16 or more accounts in these reserve funds in which there may be
17 deposited:

18 (1) any proceeds of the bonds issued by the
19 Authority required to be deposited therein by the terms
20 of any contract between the Authority and its bondholders
21 or any resolution of the Authority;

22 (2) any other moneys or funds of the Authority that
23 it may determine to deposit therein from any other
24 source; and

25 (3) any other moneys or funds made available to the
26 Authority. Subject to the terms of any pledge to the
27 owners of any bonds, moneys in any reserve fund may be
28 held and applied to the payment of principal, premium, if
29 any, and interest of such bonds.

30 (d) Powers and duties. The Authority has the power:

31 (1) To issue bonds in one or more series pursuant to
32 one or more resolutions of the Authority for any Clean
33 Coal and Energy projects authorized under this Section,
34 within the authorization set forth in subsections (e) and

1 (f).

2 (2) To provide for the funding of any reserves or
3 other funds or accounts deemed necessary by the Authority
4 in connection with any bonds issued by the Authority.

5 (3) To pledge any funds of the Authority or funds
6 made available to the Authority that may be applied to
7 such purpose as security for any bonds or any guarantees,
8 letters of credit, insurance contracts or similar credit
9 support or liquidity instruments securing the bonds.

10 (4) To enter into agreements or contracts with third
11 parties, whether public or private, including, without
12 limitation, the United States of America, the State or
13 any department or agency thereof, to obtain any
14 appropriations, grants, loans or guarantees that are
15 deemed necessary or desirable by the Authority. Any such
16 guarantee, agreement or contract may contain terms and
17 provisions necessary or desirable in connection with the
18 program, subject to the requirements established by the
19 Act.

20 (5) To exercise such other powers as are necessary
21 or incidental to the foregoing.

22 (e) Clean Coal and Energy bond authorization and
23 financing limits. In addition to any other bonds authorized
24 to be issued under Sections 801-40(w), 825-60, 830-25 and
25 845-5, the Authority may have outstanding, at any time, bonds
26 for the purpose enumerated in this Section 825-65 in an
27 aggregate principal amount that shall not exceed
28 \$2,700,000,000, of which no more than \$300,000,000 may be
29 issued to finance transmission facilities, no more than
30 \$500,000,000 may be issued to finance scrubbers at existing
31 generating plants, no more than \$500,000,000 may be issued to
32 finance alternative energy sources, including renewable
33 energy projects and no more than \$1,400,000,000 may be issued
34 to finance new electric generating facilities, as defined in

1 Section 605-332 of the Department of Commerce and Economic
2 Opportunity Law of the Civil Administrative Code of Illinois,
3 which may include mine-mouth power plants. An application for
4 a loan financed from bond proceeds from a borrower or its
5 affiliates for a Clean Coal and Energy project may not be
6 approved by the Authority for an amount in excess of
7 \$450,000,000 for any borrower or its affiliates. These bonds
8 shall not constitute an indebtedness or obligation of the
9 State of Illinois and it shall be plainly stated on the face
10 of each bond that it does not constitute an indebtedness or
11 obligation of the State of Illinois, but is payable solely
12 from the revenues, income or other assets of the Authority
13 pledged therefor.

14 (f) Additional Clean Coal Energy bond authorization and
15 financing limits. In addition to any other bonds authorized
16 to be issued under this Act, the Authority may issue bonds
17 for the purpose enumerated in this Section 825-65 in an
18 aggregate principal amount that shall not exceed
19 \$300,000,000.

20 Section 825-70. Criteria for participation in the
21 program. Applications to the Authority for financing of any
22 Clean Coal and Energy project shall be reviewed by the
23 Authority. Upon submission of any such application, the
24 Authority staff shall review the application for its
25 completeness and may, at the discretion of the Authority
26 staff, request such additional information as it deems
27 necessary or advisable to aid in review. If the Authority
28 receives applications for financing for Clean Coal and Energy
29 projects in excess of the bond authorization available for
30 such financing at any one time, it shall consider
31 applications in the order of priority as it shall determine,
32 in consultation with other State agencies.

1 Section 825-75. Additional Security. In the event that
2 the Authority determines that monies of the Authority will
3 not be sufficient for the payment of the principal of and
4 interest on any bonds issued by the Authority under Sections
5 825-65 through 825-75 of this Act for energy generation
6 projects that advance clean coal technology and the use of
7 Illinois coal during the next State fiscal year, the
8 Chairperson, as soon as practicable, shall certify to the
9 Governor the amount required by the Authority to enable it to
10 pay such principal, premium, if any, and interest on such
11 bonds. The Governor shall submit the amount so certified to
12 the General Assembly as soon as practicable, but no later
13 than the end of the current State fiscal year. This
14 subsection shall not apply to any bonds or notes as to which
15 the Authority shall have determined, in the resolution
16 authorizing the issuance of the bonds or notes, that this
17 subsection shall not apply. Whenever the Authority makes such
18 a determination, that fact shall be plainly stated on the
19 face of the bonds or notes and that fact should also be
20 reported to the Governor. In the event of a withdrawal of
21 moneys from a reserve fund established with respect to any
22 issue or issues of bonds of the Authority to pay principal,
23 premium, if any, and interest on such bonds, the Chairman of
24 the Authority, as soon as practicable, shall certify to the
25 Governor the amount required to restore the reserve fund to
26 the level required in the resolution or indenture securing
27 those bonds. The Governor shall submit the amount so
28 certified to the General Assembly as soon as practicable, but
29 no later than the end of the current State fiscal year. The
30 Authority shall obtain written approval from the Governor for
31 any bonds and notes to be issued under this Section.

32

ARTICLE 830

33

AGRICULTURAL ASSISTANCE

1 Section 830-5. The Authority shall have the following
2 powers:

3 (a) To loan its funds to one or more persons to be used
4 by such persons to pay the costs of acquiring, constructing,
5 reconstructing or improving Agricultural Facilities, soil or
6 water conservation projects or watershed areas, such loans to
7 be on such terms and conditions, and for such period of time,
8 and secured or evidenced by such mortgages, deeds of trust,
9 notes debentures, bonds or other secured or unsecured
10 evidences of indebtedness of such persons as the Board may
11 determine;

12 (b) To loan its funds to any agribusiness which operates
13 or will operate a facility located in Illinois for those
14 purposes permitted by rules and regulations issued pursuant
15 to the Internal Revenue Code of 1954, as amended, relating to
16 the use of moneys loaned from the proceeds from the issuance
17 of industrial development revenue bonds; such loans shall be
18 on terms and conditions, and for periods of time, and secured
19 or evidenced by mortgages, deeds of trust, notes, debentures,
20 bonds or other secured or unsecured evidences of indebtedness
21 of such agribusiness as the Board may require;

22 (c) To purchase, or to make commitments to purchase, from
23 lenders notes, debentures, bonds or other evidences of
24 indebtedness secured by mortgages, deeds of trust, or
25 security devices, or unsecured, as the Authority may
26 determine, or portions thereof or participations therein,
27 which notes, bonds, or other evidences of indebtedness shall
28 have been or will be executed by the obligors thereon to
29 obtain funds with which to acquire, by purchase,
30 construction, or otherwise, reconstruct or improve
31 Agricultural Facilities;

32 (d) To contract with lenders or others for the
33 origination of or the servicing of the loans made by the
34 Authority pursuant to this Section or represented by the

1 notes, bonds, or other evidences of indebtedness which it has
2 purchased pursuant to this Section; provided that such
3 servicing fees shall not exceed one per cent per annum of the
4 principal amount outstanding owed to the Authority; and

5 (e) To enter into a State Guarantee with a lender or a
6 person holding a note and to sell or issue such State
7 Guarantees, bonds or evidences of indebtedness in a primary
8 or a secondary market.

9 Section 830-10. (a) The Authority shall establish a Farm
10 Debt Relief Program to help provide eligible Illinois farmers
11 with State assistance in meeting their farming-related debts.

12 (b) To be eligible for the program, a person must (1) be
13 actively engaged in farming in this State, (2) have
14 farming-related debts in an amount equal to at least 55% of
15 the person's total assets, and (3) demonstrate that he can
16 secure credit from a conventional lender for the 1986 crop
17 year.

18 (c) An eligible person may apply to the Authority, in
19 such manner as the Authority may specify, for a one-time farm
20 debt relief payment of up to 2% of the person's outstanding
21 farming-related debt. If the Authority determines that the
22 applicant is eligible for a payment under this Section, it
23 may then approve a payment to the applicant. Such payment
24 shall consist of a payment made by the Authority directly to
25 one or more of the applicant's farming-related creditors, to
26 be applied to the reduction of the applicant's
27 farming-related debt. The applicant shall be entitled to
28 select the creditor or creditors to receive the payment,
29 unless the applicant is subject to the jurisdiction of a
30 bankruptcy court, in which case the selection of the court
31 shall control.

32 (d) Payments shall be made from the Farm Emergency
33 Assistance Fund, which is hereby established as a special

1 fund in the State Treasury, from funds appropriated to the
2 Authority for that purpose. No grant may exceed the lesser of
3 (1) 2% of the applicant's outstanding farm-related debt, or
4 (2) \$2000. Not more than one grant under this Section may be
5 made to any one person, or to any one household, or to any
6 single farming operation.

7 (e) Payments to applicants having farming-related debts
8 in an amount equal to at least 55% of the person's total
9 assets, but less than 70%, shall be repaid by the applicant
10 to the Authority for deposit into the Farm Emergency
11 Assistance Fund within five years from the date the payment
12 was made. Repayment shall be made in equal installments
13 during the five year period with no additional interest
14 charge and may be prepaid in whole or in part at any time.
15 Applicants having farming-related debts in an amount equal to
16 at least 70% of the person's total assets shall not be
17 required to make any repayment. Assets shall include, but not
18 be limited to, the following: cash crops or feed on hand;
19 livestock held for sale; breeding stock; marketable bonds and
20 securities; securities not readily marketable; accounts
21 receivable; notes receivable; cash invested in growing crops;
22 net cash value of life insurance; machinery and equipment;
23 cars and trucks; farm and other real estate including life
24 estates and personal residence; value of beneficial interests
25 in trusts; government payments or grants; and any other
26 assets. Debts shall include, but not be limited to, the
27 following: accounts payable; notes or other indebtedness owed
28 to any source; taxes; rent; amounts owed on real estate
29 contracts or real estate mortgages; judgments; accrued
30 interest payable; and any other liability.

31 Section 830-15. Interest-buy-back program.

32 (a) The Authority shall establish an interest-buy-back
33 program to subsidize the interest cost on certain loans to

1 Illinois farmers.

2 (b) To be eligible an applicant must (i) be a resident of
3 Illinois; (ii) be a principal operator of a farm or land;
4 (iii) derive at least 50% of annual gross income from
5 farming; and (iv) have a net worth of at least \$10,000. The
6 Authority shall establish minimum and maximum financial
7 requirements, maximum payment amounts, starting and ending
8 dates for the program, and other criteria.

9 (c) Lenders may apply on behalf of eligible applicants on
10 forms provided by the Authority. Lenders may submit requests
11 for payment on forms provided by the Authority. Lenders and
12 applicants shall be responsible for any fees or charges the
13 Authority may require.

14 (d) The Authority shall make payments to lenders from
15 available appropriations from the General Revenue Fund.

16 Section 830-20. The Authority may not pass a resolution
17 authorizing the issuance of any notes or bonds in excess of
18 \$250,000 for any one agricultural real estate borrower. No
19 proceeds from any bonds issued by the Authority shall be
20 loaned to any natural person who has a net worth in excess of
21 \$500,000 for the purchase of new depreciable agricultural
22 property or to any agribusiness that, including all
23 affiliates and subsidiaries, has more than 100 employees and
24 a gross income exceeding \$2,000,000 for the preceding
25 calendar year; provided, however, that the employee size and
26 gross income limitations shall not apply to any loans to
27 agribusinesses for research and development purposes, and
28 provided further that the Authority shall retain the power to
29 waive such limitations for any agribusiness that, at the time
30 of application, does not operate a facility within this
31 State.

32 Section 830-25. Bonded indebtedness limitation. The

1 Authority shall not have outstanding at any one time State
2 Guarantees under Section 830-30 in an aggregate principal
3 amount exceeding \$160,000,000. The Authority shall not have
4 outstanding at any one time State Guarantees under Sections
5 830-35, 830-45 and 830-50 in an aggregate principal amount
6 exceeding \$75,000,000.

7 Section 830-30. State Guarantees for existing debt.

8 (a) The Authority is authorized to issue State Guarantees
9 for farmers' existing debts held by a lender. For the
10 purposes of this Section, a farmer shall be a resident of
11 Illinois, who is a principal operator of a farm or land, at
12 least 50% of whose annual gross income is derived from
13 farming and whose debt to asset ratio shall not be less than
14 40%, except in those cases where the applicant has previously
15 used the guarantee program there shall be no debt to asset
16 ratio or income restriction. For the purposes of this
17 Section, debt to asset ratio shall mean the current
18 outstanding liabilities of the farmer divided by the current
19 outstanding assets of the farmer. The Authority shall
20 establish the maximum permissible debt to asset ratio based
21 on criteria established by the Authority. Lenders shall apply
22 for the State Guarantees on forms provided by the Authority
23 and certify that the application and any other documents
24 submitted are true and correct. The lender or borrower, or
25 both in combination, shall pay an administrative fee as
26 determined by the Authority. The applicant shall be
27 responsible for paying any fees or charges involved in
28 recording mortgages, releases, financing statements,
29 insurance for secondary market issues and any other similar
30 fees or charges as the Authority may require. The application
31 shall at a minimum contain the farmer's name, address,
32 present credit and financial information, including cash flow
33 statements, financial statements, balance sheets, and any

1 other information pertinent to the application, and the
2 collateral to be used to secure the State Guarantee. In
3 addition, the lender must agree to bring the farmer's debt to
4 a current status at the time the State Guarantee is provided
5 and must also agree to charge a fixed or adjustable interest
6 rate which the Authority determines to be below the market
7 rate of interest generally available to the borrower. If both
8 the lender and applicant agree, the interest rate on the
9 State Guarantee Loan can be converted to a fixed interest
10 rate at any time during the term of the loan. Any State
11 Guarantees provided under this Section (i) shall not exceed
12 \$500,000 per farmer, (ii) shall be set up on a payment
13 schedule not to exceed 30 years, and shall be no longer than
14 30 years in duration, and (iii) shall be subject to an annual
15 review and renewal by the lender and the Authority; provided
16 that only one such State Guarantee shall be outstanding per
17 farmer at any one time. No State Guarantee shall be revoked
18 by the Authority without a 90-day notice, in writing, to all
19 parties. In those cases where the borrower has not previously
20 used the guarantee program, the lender shall not call due any
21 loan during the first 3 years for any reason except for lack
22 of performance or insufficient collateral. The lender can
23 review and withdraw or continue with the State Guarantee on
24 an annual basis after the first 3 years of the loan, provided
25 a 90 day notice, in writing, to all parties has been given.

26 (b) The Authority shall provide or renew a State
27 Guarantee to a lender if:

28 (i) A fee equal to 25 basis points on the loan is
29 paid to the Authority on an annual basis by the lender.

30 (ii) The application provides collateral acceptable
31 to the Authority that is at least equal to the State's
32 portion of the Guarantee to be provided.

33 (iii) The lender assumes all responsibility and
34 costs for pursuing legal action on collecting any loan

1 that is delinquent or in default.

2 (iv) The lender is responsible for the first 15% of
3 the outstanding principal of the note for which the State
4 Guarantee has been applied.

5 (c) There is hereby created outside of the State Treasury
6 a special fund to be known as the Illinois Agricultural Loan
7 Guarantee Fund. The State Treasurer shall be custodian of
8 this Fund. Any amounts in the Illinois Agricultural Loan
9 Guarantee Fund not currently needed to meet the obligations
10 of the Fund shall be invested as provided by law, and all
11 interest earned from these investments shall be deposited
12 into the Fund until the Fund reaches the maximum amount
13 authorized in this Act; thereafter, interest earned shall be
14 deposited into the General Revenue Fund. After September 1,
15 1989, annual investment earnings equal to 1.5% of the Fund
16 shall remain in the Fund to be used for the purposes
17 established in Section 830-40 of this Act. The Authority is
18 authorized to transfer to the Fund such amounts as are
19 necessary to satisfy claims during the duration of the State
20 Guarantee program to secure State Guarantees issued under
21 this Section. If for any reason the General Assembly fails to
22 make an appropriation sufficient to meet these obligations,
23 this Act shall constitute an irrevocable and continuing
24 appropriation of an amount necessary to secure guarantees as
25 defaults occur and the irrevocable and continuing authority
26 for, and direction to, the State Treasurer and the
27 Comptroller to make the necessary transfers to the Illinois
28 Agricultural Loan Guarantee Fund, as directed by the
29 Governor, out of the General Revenue Fund. Within 30 days
30 after November 15, 1985, the Authority may transfer up to
31 \$7,000,000 from available appropriations into the Illinois
32 Agricultural Loan Guarantee Fund for the purposes of this
33 Act. Thereafter, the Authority may transfer additional
34 amounts into the Illinois Agricultural Loan Guarantee Fund to

1 secure guarantees for defaults as defaults occur. In the
2 event of default by the farmer, the lender shall be entitled
3 to, and the Authority shall direct payment on, the State
4 Guarantee after 90 days of delinquency. All payments by the
5 Authority shall be made from the Illinois Agricultural Loan
6 Guarantee Fund to satisfy claims against the State Guarantee.
7 The Illinois Agricultural Loan Guarantee Fund shall guarantee
8 receipt of payment of the 85% of the principal and interest
9 owed on the State Guarantee Loan by the farmer to the
10 guarantee holder. It shall be the responsibility of the
11 lender to proceed with the collecting and disposing of
12 collateral on the State Guarantee within 14 months of the
13 time the State Guarantee is declared delinquent; provided,
14 however, that the lender shall not collect or dispose of
15 collateral on the State Guarantee without the express written
16 prior approval of the Authority. If the lender does not
17 dispose of the collateral within 14 months, the lender shall
18 be liable to repay to the State interest on the State
19 Guarantee equal to the same rate which the lender charges on
20 the State Guarantee; provided, however, that the Authority
21 may extend the 14 month period for a lender in the case of
22 bankruptcy or extenuating circumstances. The Fund shall be
23 reimbursed for any amounts paid under this Section upon
24 liquidation of the collateral. The Authority, by resolution
25 of the Board, may borrow sums from the Fund and provide for
26 repayment as soon as may be practical upon receipt of
27 payments of principal and interest by a farmer. Money may be
28 borrowed from the Fund by the Authority for the sole purpose
29 of paying certain interest costs for farmers associated with
30 selling a loan subject to a State Guarantee in a secondary
31 market as may be deemed reasonable and necessary by the
32 Authority.

33 (d) Notwithstanding the provisions of this Section 830-30
34 with respect to the farmers and lenders who may obtain State

1 Guarantees, the Authority may promulgate rules establishing
2 the eligibility of farmers and lenders to participate in the
3 State guarantee program and the terms, standards, and
4 procedures that will apply, when the Authority finds that
5 emergency conditions in Illinois agriculture have created the
6 need for State Guarantees pursuant to terms, standards, and
7 procedures other than those specified in this Section.

8 Section 830-35. State Guarantees for loans to farmers and
9 agribusiness; eligibility.

10 (a) The Authority is authorized to issue State Guarantees
11 to lenders for loans to eligible farmers and agribusinesses
12 for purposes set forth in this Section. For purposes of this
13 Section, an eligible farmer shall be a resident of Illinois
14 (i) who is principal operator of a farm or land, at least 50%
15 of whose annual gross income is derived from farming, (ii)
16 whose annual total sales of agricultural products,
17 commodities, or livestock exceeds \$20,000, and (iii) whose
18 net worth does not exceed \$500,000. An eligible agribusiness
19 shall be that as defined in Section 801-10 of this Act. The
20 Authority may approve applications by farmers and
21 agribusinesses that promote diversification of the farm
22 economy of this State through the growth and development of
23 new crops or livestock not customarily grown or produced in
24 this State or that emphasize a vertical integration of grain
25 or livestock produced or raised in this State into a finished
26 agricultural product for consumption or use. "New crops or
27 livestock not customarily grown or produced in this State"
28 shall not include corn, soybeans, wheat, swine, or beef or
29 dairy cattle. "Vertical integration of grain or livestock
30 produced or raised in this State" shall include any new or
31 existing grain or livestock grown or produced in this State.
32 Lenders shall apply for the State Guarantees on forms
33 provided by the Authority, certify that the application and

1 any other documents submitted are true and correct, and pay
2 an administrative fee as determined by the Authority. The
3 applicant shall be responsible for paying any fees or charges
4 involved in recording mortgages, releases, financing
5 statements, insurance for secondary market issues and any
6 other similar fees or charges as the Authority may require.
7 The application shall at a minimum contain the farmer's or
8 agribusiness' name, address, present credit and financial
9 information, including cash flow statements, financial
10 statements, balance sheets, and any other information
11 pertinent to the application, and the collateral to be used
12 to secure the State Guarantee. In addition, the lender must
13 agree to charge an interest rate, which may vary, on the loan
14 that the Authority determines to be below the market rate of
15 interest generally available to the borrower. If both the
16 lender and applicant agree, the interest rate on the State
17 Guarantee Loan can be converted to a fixed interest rate at
18 any time during the term of the loan. Any State Guarantees
19 provided under this Section (i) shall not exceed \$500,000 per
20 farmer or an amount as determined by the Authority on a
21 case-by-case basis for an agribusiness, (ii) shall not exceed
22 a term of 15 years, and (iii) shall be subject to an annual
23 review and renewal by the lender and the Authority; provided
24 that only one such State Guarantee shall be made per farmer
25 or agribusiness, except that additional State Guarantees may
26 be made for purposes of expansion of projects financed in
27 part by a previously issued State Guarantee. No State
28 Guarantee shall be revoked by the Authority without a 90-day
29 notice, in writing, to all parties. The lender shall not call
30 due any loan for any reason except for lack of performance,
31 insufficient collateral, or maturity. A lender may review and
32 withdraw or continue with a State Guarantee on an annual
33 basis after the first 5 years following closing of the loan
34 application if the loan contract provides for an interest

1 rate that shall not vary. A lender shall not withdraw a State
2 Guarantee if the loan contract provides for an interest rate
3 that may vary, except for reasons set forth herein.

4 (b) The Authority shall provide or renew a State
5 Guarantee to a lender if:

6 (i) A fee equal to 25 basis points on the loan is
7 paid to the Authority on an annual basis by the lender.

8 (ii) The application provides collateral acceptable
9 to the Authority that is at least equal to the State's
10 portion of the Guarantee to be provided.

11 (iii) The lender assumes all responsibility and
12 costs for pursuing legal action on collecting any loan
13 that is delinquent or in default.

14 (iv) The lender is responsible for the first 15% of
15 the outstanding principal of the note for which the State
16 Guarantee has been applied.

17 (c) There is hereby created outside of the State Treasury
18 a special fund to be known as the Illinois Farmer and
19 Agribusiness Loan Guarantee Fund. The State Treasurer shall
20 be custodian of this Fund. Any amounts in the Fund not
21 currently needed to meet the obligations of the Fund shall be
22 invested as provided by law, and all interest earned from
23 these investments shall be deposited into the Fund until the
24 Fund reaches the maximum amounts authorized in this Act;
25 thereafter, interest earned shall be deposited into the
26 General Revenue Fund. After September 1, 1989, annual
27 investment earnings equal to 1.5% of the Fund shall remain in
28 the Fund to be used for the purposes established in Section
29 830-40 of this Act. The Authority is authorized to transfer
30 such amounts as are necessary to satisfy claims from
31 available appropriations and from fund balances of the Farm
32 Emergency Assistance Fund as of June 30 of each year to the
33 Illinois Farmer and Agribusiness Loan Guarantee Fund to
34 secure State Guarantees issued under this Section and

1 Sections 830-45 and 830-50. If for any reason the General
2 Assembly fails to make an appropriation sufficient to meet
3 these obligations, this Act shall constitute an irrevocable
4 and continuing appropriation of an amount necessary to secure
5 guarantees as defaults occur and the irrevocable and
6 continuing authority for, and direction to, the State
7 Treasurer and the Comptroller to make the necessary transfers
8 to the Illinois Farmer and Agribusiness Loan Guarantee Fund,
9 as directed by the Governor, out of the General Revenue Fund.
10 In the event of default by the borrower on State Guarantee
11 Loans under this Section, Section 830-45 or Section 830-50,
12 the lender shall be entitled to, and the Authority shall
13 direct payment on, the State Guarantee after 90 days of
14 delinquency. All payments by the Authority shall be made from
15 the Illinois Farmer and Agribusiness Loan Guarantee Fund to
16 satisfy claims against the State Guarantee. It shall be the
17 responsibility of the lender to proceed with the collecting
18 and disposing of collateral on the State Guarantee under this
19 Section, Section 830-45 or Section 830-50 within 14 months of
20 the time the State Guarantee is declared delinquent. If the
21 lender does not dispose of the collateral within 14 months,
22 the lender shall be liable to repay to the State interest on
23 the State Guarantee equal to the same rate that the lender
24 charges on the State Guarantee, provided that the Authority
25 shall have the authority to extend the 14 month period for a
26 lender in the case of bankruptcy or extenuating
27 circumstances. The Fund shall be reimbursed for any amounts
28 paid under this Section, Section 830-45 or Section 830-50
29 upon liquidation of the collateral. The Authority, by
30 resolution of the Board, may borrow sums from the Fund and
31 provide for repayment as soon as may be practical upon
32 receipt of payments of principal and interest by a borrower
33 on State Guarantee Loans under this Section, Section 830-45
34 or Section 830-50. Money may be borrowed from the Fund by the

1 Authority for the sole purpose of paying certain interest
2 costs for borrowers associated with selling a loan subject to
3 a State Guarantee under this Section, Section 830-45 or
4 Section 830-50 in a secondary market as may be deemed
5 reasonable and necessary by the Authority.

6 (d) Notwithstanding the provisions of this Section 830-35
7 with respect to the farmers, agribusinesses, and lenders who
8 may obtain State Guarantees, the Authority may promulgate
9 rules establishing the eligibility of farmers,
10 agribusinesses, and lenders to participate in the State
11 Guarantee program and the terms, standards, and procedures
12 that will apply, when the Authority finds that emergency
13 conditions in Illinois agriculture have created the need for
14 State Guarantees pursuant to terms, standards, and procedures
15 other than those specified in this Section.

16 Section 830-40. Cooperative agreement with the University
17 of Illinois.

18 (a) The Authority may enter into a cooperative agreement
19 with the University of Illinois whereby the University's
20 College of Agriculture, or a department thereof, shall assess
21 and evaluate the need for additional, and the performance of
22 existing, State credit and finance programs administered by
23 the Authority for farmers and agribusinesses. Pursuant to the
24 cooperative agreement, the Authority may request from the
25 University an evaluation of financial positions and lending
26 risks of existing farm operations and existing and developing
27 agricultural industries, an assessment and evaluation of the
28 design, operation and performance of existing and proposed
29 credit programs, an assessment of potential for development
30 of agricultural industry, an assessment of the performance of
31 credit markets and development of improved State credit
32 instruments and programs, and any other information deemed
33 necessary by the Authority to carry forth its credit and

1 finance programs.

2 (b) A cooperative agreement entered into by the Authority
3 and the University may provide for payment for services
4 rendered by the University pursuant to the cooperative
5 agreement from interest earnings remaining in the Illinois
6 Agricultural Loan Guarantee Fund, as provided for in Section
7 830-30 of this Act, and the Illinois Farmer and Agribusiness
8 Loan Guarantee Fund, as provided for in Section 830-40 of
9 this Act.

10 Section 830-45. Young Farmer Loan Guarantee Program.

11 (a) The Authority is authorized to issue State Guarantees
12 to lenders for loans to finance or refinance debts of young
13 farmers. For the purposes of this Section, a young farmer is
14 a resident of Illinois who is at least 18 years of age and
15 who is a principal operator of a farm or land, who derives at
16 least 50% of annual gross income from farming, whose net
17 worth is not less than \$10,000 and whose debt to asset ratio
18 is not less than 40%. For the purposes of this Section, debt
19 to asset ratio means current outstanding liabilities,
20 including any debt to be financed or refinanced under this
21 Section 830-45, divided by current outstanding assets. The
22 Authority shall establish the maximum permissible debt to
23 asset ratio based on criteria established by the Authority.
24 Lenders shall apply for the State Guarantees on forms
25 provided by the Authority and certify that the application
26 and any other documents submitted are true and correct. The
27 lender or borrower, or both in combination, shall pay an
28 administrative fee as determined by the Authority. The
29 applicant shall be responsible for paying any fee or charge
30 involved in recording mortgages, releases, financing
31 statements, insurance for secondary market issues, and any
32 other similar fee or charge that the Authority may require.
33 The application shall at a minimum contain the young farmer's

1 name, address, present credit and financial information,
2 including cash flow statements, financial statements, balance
3 sheets, and any other information pertinent to the
4 application, and the collateral to be used to secure the
5 State Guarantee. In addition, the borrower must certify to
6 the Authority that, at the time the State Guarantee is
7 provided, the borrower will not be delinquent in the
8 repayment of any debt. The lender must agree to charge a
9 fixed or adjustable interest rate that the Authority
10 determines to be below the market rate of interest generally
11 available to the borrower. If both the lender and applicant
12 agree, the interest rate on the State guaranteed loan can be
13 converted to a fixed interest rate at any time during the
14 term of the loan. State Guarantees provided under this
15 Section (i) shall not exceed \$500,000 per young farmer, (ii)
16 shall be set up on a payment schedule not to exceed 30 years,
17 but shall be no longer than 15 years in duration, and (iii)
18 shall be subject to an annual review and renewal by the
19 lender and the Authority. A young farmer may use this program
20 more than once provided the aggregate principal amount of
21 State Guarantees under this Section to that young farmer does
22 not exceed \$500,000. No State Guarantee shall be revoked by
23 the Authority without a 90-day notice, in writing, to all
24 parties.

25 (b) The Authority shall provide or renew a State
26 Guarantee to a lender if:

27 (i) The lender pays a fee equal to 25 basis points
28 on the loan to the Authority on an annual basis.

29 (ii) The application provides collateral acceptable
30 to the Authority that is at least equal to the State
31 Guarantee.

32 (iii) The lender assumes all responsibility and
33 costs for pursuing legal action on collecting any loan
34 that is delinquent or in default.

1 (iv) The lender is at risk for the first 15% of the
2 outstanding principal of the note for which the State
3 Guarantee is provided.

4 (c) The Illinois Farmer and Agribusiness Loan Guarantee
5 Fund may be used to secure State Guarantees issued under this
6 Section as provided in Section 830-35.

7 (d) Notwithstanding the provisions of this Section 830-45
8 with respect to the young farmers and lenders who may obtain
9 State Guarantees, the Authority may promulgate rules
10 establishing the eligibility of young farmers and lenders to
11 participate in the State Guarantee program and the terms,
12 standards, and procedures that will apply, when the Authority
13 finds that emergency conditions in Illinois agriculture have
14 created the need for State Guarantees pursuant to terms,
15 standards, and procedures other than those specified in this
16 Section.

17 Section 830-50. Specialized Livestock Guarantee Program.

18 (a) The Authority is authorized to issue State Guarantees
19 to lenders for loans to finance or refinance debts for
20 specialized livestock operations that are or will be located
21 in Illinois. For purposes of this Section, a "specialized
22 livestock operation" includes, but is not limited to, dairy,
23 beef, and swine enterprises.

24 (b) Lenders shall apply for the State Guarantees on forms
25 provided by the Authority and certify that the application
26 and any other documents submitted are true and correct. The
27 lender or borrower, or both in combination, shall pay an
28 administrative fee as determined by the Authority. The
29 applicant shall be responsible for paying any fee or charge
30 involved in recording mortgages, releases, financing
31 statements, insurance for secondary market issues, and any
32 other similar fee or charge that the Authority may require.
33 The application shall, at a minimum, contain the farmer's

1 name, address, present credit and financial information,
2 including cash flow statements, financial statements, balance
3 sheets, and any other information pertinent to the
4 application, and the collateral to be used to secure the
5 State Guarantee. In addition, the borrower must certify to
6 the Authority that, at the time the State Guarantee is
7 provided, the borrower will not be delinquent in the
8 repayment of any debt. The lender must agree to charge a
9 fixed or adjustable interest rate that the Authority
10 determines to be below the market rate of interest generally
11 available to the borrower. If both the lender and applicant
12 agree, the interest rate on the State guaranteed loan can be
13 converted to a fixed interest rate at any time during the
14 term of the loan.

15 (c) State Guarantees provided under this Section (i)
16 shall not exceed \$1,000,000 per applicant, (ii) shall be no
17 longer than 15 years in duration, and (iii) shall be subject
18 to an annual review and renewal by the lender and the
19 Authority. An applicant may use this program more than once,
20 provided that the aggregate principal amount of State
21 Guarantees under this Section to that applicant does not
22 exceed \$1,000,000. A State Guarantee shall not be revoked by
23 the Authority without a 90-day notice, in writing, to all
24 parties.

25 (d) The Authority shall provide or renew a State
26 Guarantee to a lender if: (i) The lender pays a fee equal to
27 25 basis points on the loan to the Authority on an annual
28 basis. (ii) The application provides collateral acceptable to
29 the Authority that is at least equal to the State Guarantee.
30 (iii) The lender assumes all responsibility and costs for
31 pursuing legal action on collecting any loan that is
32 delinquent or in default. (iv) The lender is at risk for the
33 first 15% of the outstanding principal of the note for which
34 the State Guarantee is provided.

1 (e) The Illinois Farmer and Agribusiness Loan Guarantee
2 Fund may be used to secure State Guarantees issued under this
3 Section as provided in Section 830-35.

4 (f) Notwithstanding the provisions of this Section 830-50
5 with respect to the specialized livestock operations and
6 lenders who may obtain State Guarantees, the Authority may
7 promulgate rules establishing the eligibility of specialized
8 livestock operations and lenders to participate in the State
9 Guarantee program and the terms, standards, and procedures
10 that will apply, when the Authority finds that emergency
11 conditions in Illinois agriculture have created the need for
12 State Guarantees pursuant to terms, standards, and procedures
13 other than those specified in this Section.

14 ARTICLE 840

15 HEALTH FACILITIES DEVELOPMENT

16 Section 840-5. The Authority shall have the following
17 powers:

18 (a) To fix and revise from time to time and charge and
19 collect rates, rents, fees and charges for the use of and for
20 the services furnished or to be furnished by a project or
21 other health facilities owned, financed or refinanced by the
22 Authority or any portion thereof and to contract with any
23 person, partnership, association or corporation or other
24 body, public or private, in respect thereto; to coordinate
25 its policies and procedures and cooperate with recognized
26 health facility rate setting mechanisms which may now or
27 hereafter be established.

28 (b) To establish rules and regulations for the use of a
29 project or other health facilities owned, financed or
30 refinanced by the Authority or any portion thereof and to
31 designate a participating health institution as its agent to
32 establish rules and regulations for the use of a project or

1 other health facilities owned by the Authority undertaken for
2 that participating health institution.

3 (c) To establish or contract with others to carry out on
4 its behalf a health facility project cost estimating service
5 and to make this service available on all projects to provide
6 expert cost estimates and guidance to the participating
7 health institution and to the Authority. In order to
8 implement this service and, through it, to contribute to cost
9 containment, the Authority shall have the power to require
10 such reasonable reports and documents from health facility
11 projects as may be required for this service and for the
12 development of cost reports and guidelines. The Authority may
13 appoint a Technical Committee on Health Facility Project
14 Costs and Cost Containment.

15 (d) To make mortgage or other secured or unsecured loans
16 to or for the benefit of any participating health institution
17 for the cost of a project in accordance with an agreement
18 between the Authority and the participating health
19 institution; provided that no such loan shall exceed the
20 total cost of the project as determined by the participating
21 health institution and approved by the Authority; provided
22 further that such loans may be made to any entity affiliated
23 with a participating health institution if the proceeds of
24 such loan are made available to or applied for the benefit of
25 such participating health institution.

26 (e) To make mortgage or other secured or unsecured loans
27 to or for the benefit of a participating health institution
28 in accordance with an agreement between the Authority and the
29 participating health institution to refund outstanding
30 obligations, loans, indebtedness or advances issued, made,
31 given or incurred by such participating health institution
32 for the cost of a project; including the function to issue
33 bonds and make loans to or for the benefit of a participating
34 health institution to refinance indebtedness incurred by such

1 participating health institution in projects undertaken and
2 completed or for other health facilities acquired prior to or
3 after the enactment of this Act when the Authority finds that
4 such refinancing is in the public interest, and either
5 alleviates a financial hardship of such participating health
6 institution, or is in connection with other financing by the
7 Authority for such participating health institution or may be
8 expected to result in a lessened cost of patient care and a
9 saving to third parties, including government, and to others
10 who must pay for care, or any combination thereof; provided
11 further that such loans may be made to any entity affiliated
12 with a participating health institution if the proceeds of
13 such loan are made available to or applied for the benefit of
14 such participating health institution.

15 (f) To mortgage all or any portion of a project or other
16 health facilities and the property on which any such project
17 or other health facilities are located whether owned or
18 thereafter acquired, and to assign or pledge mortgages, deeds
19 of trust, indentures of mortgage or trust or similar
20 instruments, notes, and other securities of participating
21 health institutions to which or for the benefit of which the
22 Authority has made loans or of entities affiliated with such
23 institutions and the revenues therefrom, including payments
24 or income from any thereof owned or held by the Authority,
25 for the benefit of the holders of bonds issued to finance
26 such project or health facilities or issued to refund or
27 refinance outstanding obligations, loans, indebtedness or
28 advances of participating health institutions as permitted by
29 this Act.

30 (g) To lease to a participating health institution the
31 project being financed or refinanced or other health
32 facilities conveyed to the Authority in connection with such
33 financing or refinancing, upon such terms and conditions as
34 the Authority shall deem proper, and to charge and collect

1 rents therefor and to terminate any such lease upon the
2 failure of the lessee to comply with any of the obligations
3 thereof; and to include in any such lease, if desired,
4 provisions that the lessee thereof shall have options to
5 renew the lease for such period or periods and at such rent
6 as shall be determined by the Authority or to purchase any or
7 all of the health facilities or that upon payment of all of
8 the indebtedness incurred by the Authority for the financing
9 of such project or health facilities or for refunding
10 outstanding obligations, loans, indebtedness or advances of a
11 participating health institution, then the Authority may
12 convey any or all of the project or such other health
13 facilities to the lessee or lessees thereof with or without
14 consideration.

15 (h) To make studies of needed health facilities that
16 could not sustain a loan were it made under this Act and to
17 recommend remedial action to the General Assembly; to do the
18 same with regard to any laws or regulations that prevent
19 health facilities from benefiting from this Act.

20 (i) To assist the Department of Commerce and Economic
21 Opportunity to establish and implement a program to assist
22 health facilities to identify and arrange financing for
23 energy conservation projects in buildings and facilities
24 owned or leased by health facilities.

25 (j) To assist the Department of Human Services in
26 establishing a low interest loan program to help child care
27 centers and family day care homes serving children of low
28 income families under Section 22.4 of the Children and Family
29 Services Act.

30 Section 840-10. By means of this Act it is the intent of
31 the General Assembly to provide a measure of assistance and
32 alternative methods of financing to participating health
33 institutions to aid them in providing needed health

1 facilities that will assure admission and care of high
2 quality to all who need it and in dealing with the cash
3 requirements of such facilities, whether resulting from
4 capital expenditures, operating expenditures, delays in the
5 receipt of payments for services or otherwise.

6 Section 840-15. The Authority is authorized and empowered
7 to acquire, directly or by and through a participating health
8 institution as its agent, by purchase solely from funds
9 provided under the authority of this Act, or by gift or
10 legacy, such lands, structures, property, real or personal,
11 rights, rights-of-way, franchises, easements and other
12 interests in lands, including lands lying under water and
13 riparian rights, which are located within the State as it may
14 deem necessary or convenient for the construction or
15 operation of a project, upon such terms and at such prices as
16 may be considered by it to be reasonable and can be agreed
17 upon between it and the owner thereof, and to take title
18 thereto in the name of the Authority or in the name of a
19 participating health institution as its agent.

20 Section 840-20. It is the intent and purpose of this Act
21 that the exercise by the Authority of the powers granted to
22 it shall be in all respects for the benefit of the people of
23 this state to assist them to provide needed health facilities
24 of the number, size, type, distribution, and operation that
25 will assure admission and care of high quality to all who
26 need it. To this end, the Authority is charged with the
27 responsibility to identify and study all projects which are
28 determined by health planning agencies to be needed but which
29 could not sustain a loan were such to be made to it under
30 this Act. The Authority shall, following such study,
31 formulate and recommend to the General Assembly, such
32 amendments to this and other Acts, and such other specific

1 measures as grants, loan guarantees, interest subsidies or
2 other actions as may be provided for by the state which
3 actions would render the construction and operation of such
4 needed health facility feasible and in the public interest.
5 Further, the Authority is charged with responsibility to
6 identify and study any laws or regulations which it finds
7 handicaps or bars a needed health facility from participating
8 in the benefits of this Act and to recommend to the General
9 Assembly such actions as will remedy such situation.

10 Section 840-25. The Authority shall fix, revise, charge
11 and collect rents for the use of each health facility owned
12 by the Authority and contract with any person, partnership,
13 association or corporation, or other body, public or private,
14 in respect thereof. Each lease entered into by the Authority
15 with a participating health institution and each agreement,
16 note, mortgage or other instrument evidencing the obligations
17 of a participating health institution to the Authority shall
18 provide that the rents or principal, interest and other
19 charges payable by or for the benefit of the participating
20 health institution or the process of accounts receivable
21 purchased by the Authority from the participating health
22 institution shall be sufficient at all times, (a) to pay its
23 share of the administrative costs and expenses of the
24 Authority, (b) to pay the cost of maintaining, repairing and
25 operating the project and other related health facilities and
26 each and every portion thereof, (c) to pay the principal of,
27 the premium, if any, and the interest on outstanding bonds of
28 the Authority issued in respect of such project as the same
29 shall become due and payable, and (d) to create and maintain
30 reserves which may but need not be required or provided for
31 in the bond resolution relating to such bonds of the
32 Authority. The Authority shall pledge the revenues derived
33 and to be derived from a project or other related health

1 facilities or from a participating health institution or an
2 affiliate thereof for the purposes specified in (a), (b), (c)
3 and (d) of the preceding sentence and additional bonds may be
4 issued which may rank on a parity with other bonds relating
5 to the project to the extent and on the terms and conditions
6 provided in the bond resolution. Such pledge shall be valid
7 and binding from the time when the pledge is made; the
8 revenues so pledged by the Authority shall immediately be
9 subject to the lien of such pledge without any physical
10 delivery thereof or further act and the lien of any such
11 pledge shall be valid and binding as against all parties
12 having claims of any kind in tort, contract or otherwise
13 against the Authority, irrespective of whether such parties
14 have notice thereof. Neither the bond resolution nor any
15 financing statement, continuation statement or other
16 instrument by which a pledge is created or by which the
17 Authority's interest in revenues is assigned need be filed or
18 recorded in any public records in order to perfect the lien
19 thereof as against third parties except that a copy of the
20 bond resolution shall be filed in the records of the
21 Authority and with the Secretary of State.

22 Section 840-30. It is intended that all private health
23 facilities in this State be enabled to benefit from and
24 participate in the provisions of this Act. To this end, all
25 private health facilities operating, or authorized to be
26 operated, under any statute of this State are authorized and
27 empowered to undertake projects, as defined in this Act, and
28 to utilize the financing sources and methods of repayment
29 provided by this Act, the provisions of any other laws to the
30 contrary notwithstanding. Notwithstanding the provisions of
31 any other law to the contrary, the State of Illinois and any
32 political subdivision, agency, instrumentality, district or
33 municipality thereof owning or operating any health facility

1 is hereby authorized to take all actions necessary or
2 appropriate and to execute and deliver any and all evidences
3 of indebtedness and agreements, including loan agreements,
4 leases and agreements providing for credit enhancement, as
5 may be necessary to permit such publicly owned health
6 facility to avail itself of the provisions of this Act. Any
7 evidence of indebtedness or agreement entered into by the
8 State or any political subdivision, agency, instrumentality,
9 district or municipality thereof pursuant to this Act may
10 provide for the payment of interest at such rate or rates as
11 shall be determined by the issuer thereof or obligor
12 thereunder and may be issued or entered into without
13 referendum approval; provided, that this Act shall not be
14 deemed to be independent authority for levy of any taxes to
15 pay an obligation owing from the State or any political
16 subdivision, agency, instrumentality, district or
17 municipality thereof and arising hereunder or incurred in
18 connection with a financing pursuant hereto.

19 ARTICLE 845

20 AUTHORITY DEBTS, CONTRACTS AND REPORTS

21 Section 845-5. The Authority may not have outstanding at
22 any one time bonds for any of its corporate purposes in an
23 aggregate principal amount exceeding \$23,000,000,000,
24 excluding bonds issued to refund the bonds of the Authority
25 or bonds of the Predecessor Authorities.

26 Section 845-10. The Authority may issue a single bond
27 issue pursuant to this Act for a group of industrial
28 projects, a group of corporations or a group of business
29 entities, a group of units of local government or other
30 borrowers or any combination thereof. A bond issue for
31 multiple projects as provided in this Section shall be

1 subject to all requirements for bond issues as established by
2 this Act.

3 Section 845-15. The Authority may maintain an office or
4 branch office anywhere in the State, and may utilize, without
5 the payment of rent, any office facilities which the State
6 may conveniently make available to it.

7 Section 845-20. The Authority shall not have power to
8 levy taxes for any purpose whatsoever.

9 Section 845-25. The Authority shall not incur any
10 obligations for salaries, office or other administrative
11 expenses prior to the making of appropriations to meet such
12 expenses. Interest earned from investments of any funds of
13 the Authority and repayments of principal of such investments
14 shall be available for appropriation by the Board for the
15 corporate purposes of the Authority.

16 Section 845-30. The State and all counties, cities,
17 villages, incorporated towns and other municipal
18 corporations, political subdivisions and public bodies, and
19 public officers of any thereof, all banks, bankers, trust
20 companies, savings banks and institutions, building and loan
21 associations, savings and loan associations, investment
22 companies and other persons carrying on a banking business,
23 all insurance companies, insurance associations and other
24 persons carrying on an insurance business and all executors,
25 administrators, guardians, trustees and other fiduciaries may
26 legally invest any sinking funds, moneys or other funds
27 belonging to them or within their control in any bonds or
28 evidences of indebtedness issued pursuant to this Act or
29 issued by the Predecessor Authorities, it being the purpose
30 of this Section to authorize the investment in such bonds or

1 evidences of indebtedness of all sinking, insurance,
2 retirement, compensation, pension and trust funds, whether
3 owned or controlled by private or public persons or officers;
4 provided, however, that nothing contained in this Section may
5 be construed as relieving any person from any duty of
6 exercising reasonable care in selecting securities for
7 purchase or investment.

8 Section 845-35. Under no circumstances shall any bonds or
9 other evidences of indebtedness issued by the Authority or
10 the Predecessor Authorities under this Act or under any other
11 law be or become an indebtedness or obligation of the State
12 of Illinois, within the purview of any constitutional
13 limitation or provision, and it shall be plainly stated on
14 the face of each bond or other evidence of indebtedness that
15 it does not constitute such an indebtedness or obligation but
16 is payable solely from the revenues or income of the
17 Authority.

18 Section 845-40. The Authority shall appoint a secretary
19 and treasurer, who may, but need not, be a member or members
20 of the Authority to hold office during the pleasure of the
21 Authority. Before entering upon the duties of the respective
22 offices such person or persons shall take and subscribe to
23 the constitutional oath of office, and the treasurer shall
24 execute a bond with corporate sureties to be approved by the
25 Authority. The bond shall be payable to the Authority in
26 whatever penal sum may be directed by the Authority
27 conditioned upon the faithful performance of the duties of
28 the office and the payment of all money received by him
29 according to law and the orders of the Authority. The
30 Authority may, at any time, require a new bond from the
31 treasurer in such penal sum as may then be determined by the
32 Authority. The obligation of the sureties shall not extend to

1 any loss sustained by the insolvency, failure or closing of
2 any savings and loan association or national or state bank
3 wherein the treasurer has deposited funds if the bank or
4 savings and loan association has been approved by the
5 Authority as a depository for these funds. The oaths of
6 office and the treasurer's bond shall be filed in the
7 principal office of the Authority. All funds of the
8 Authority, including without limitation, grants or loans from
9 the federal government, the State or any agency or
10 instrumentality thereof, fees, service charges, interest or
11 other investment earnings on its funds, payments of principal
12 of and interest on loans of its funds and revenue from any
13 other source, except funds the application of which is
14 otherwise specifically provided for by appropriation,
15 resolution, grant agreement, lease agreement, loan agreement,
16 indenture, mortgage or trust agreement or other agreement,
17 may be held by the Authority in its treasury and be generally
18 available for expenditure by the Authority for any of the
19 purposes authorized by this Act. In addition to investments
20 authorized by Section 2 of the Public Funds Investment Act,
21 funds of the Authority may be invested in (a) obligations
22 issued by any State, unit of local government or school
23 district which obligations are rated at the time of purchase
24 by a national rating service within the two highest rating
25 classifications without regard to any rating refinement or
26 gradation by numerical or other modifier, or (b) equity
27 securities of an investment company registered under the
28 Investment Company Act of 1940 whose sole assets, other than
29 cash and other temporary investments, are obligations which
30 are eligible investments for the Authority, provided that not
31 more than 20% of the assets of the investment company may
32 consist of unrated obligations of the type described in
33 clause (a) which the Board of Directors of the investment
34 company has determined to be of comparable quality to rated

1 obligations described in clause (a). Funds appropriated by
2 the General Assembly to the Authority shall be held in the
3 State Treasury unless this Act or the Act making the
4 appropriation specifically states that the monies are to be
5 held in or appropriated to the Authority's treasury. Such
6 funds as are authorized to be held in the Authority's
7 treasury and deposited in any bank or savings and loan
8 association and placed in the name of the Authority shall be
9 withdrawn or paid out only by check or draft upon the bank or
10 savings and loan association, signed by the treasurer and
11 countersigned by the Chairperson of the Authority. The
12 Authority may designate any of its members or any officer or
13 employee of the Authority to affix the signature of the
14 Chairperson and another to affix the signature of the
15 treasurer to any check or draft for payment of salaries or
16 wages and for payment of any other obligations of not more
17 than \$2,500. In case any officer whose signature appears upon
18 any check or draft, issued pursuant to this Act, ceases to
19 hold his office before the delivery thereof to the payee, his
20 signature nevertheless shall be valid and sufficient for all
21 purposes with the same effect as if he had remained in office
22 until delivery thereof. No bank or savings and loan
23 association shall receive public funds as permitted by this
24 Section, unless it has complied with the requirements
25 established pursuant to Section 6 of the Public Funds
26 Investment Act.

27 Section 845-45. (a) No member, officer, agent, or
28 employee of the Authority shall, in his or her own name or in
29 the name of a nominee, be an officer or director or hold an
30 ownership interest of more than 7 1/2% in any person,
31 association, trust, corporation, partnership, or other entity
32 that is, in its own name or in the name of a nominee, a party
33 to a contract or agreement upon which the member, officer,

1 agent, or employee may be called upon to act or vote.

2 (b) With respect to any direct or any indirect interest,
3 other than an interest prohibited in subsection (a), in a
4 contract or agreement upon which the member, officer, agent,
5 or employee may be called upon to act or vote, a member,
6 officer, agent, or employee of the Authority shall disclose
7 the interest to the secretary of the Authority before the
8 taking of final action by the Authority concerning the
9 contract or agreement and shall so disclose the nature and
10 extent of the interest and his or her acquisition of it, and
11 those disclosures shall be publicly acknowledged by the
12 Authority and entered upon the minutes of the Authority. If a
13 member, officer, agent, or employee of the Authority holds
14 such an interest, then he or she shall refrain from any
15 further official involvement in regard to the contract or
16 agreement, from voting on any matter pertaining to the
17 contract or agreement, and from communicating with other
18 members of the Authority or its officers, agents, and
19 employees concerning the contract or agreement.
20 Notwithstanding any other provision of law, any contract or
21 agreement entered into in conformity with this subsection (b)
22 shall not be void or invalid by reason of the interest
23 described in this subsection, nor shall any person so
24 disclosing the interest and refraining from further official
25 involvement as provided in this subsection be guilty of an
26 offense, be removed from office, or be subject to any other
27 penalty on account of that interest.

28 (c) Any contract or agreement made in violation of
29 paragraphs (a) or (b) of this Section shall be null and void
30 and give rise to no action against the Authority.

31 Section 845-50. The fiscal year for the Authority shall
32 commence on the first of July. As soon after the end of each
33 fiscal year as may be expedient, the Authority shall cause to

1 be prepared and printed a complete report and financial
2 statement of its operations and of its assets and
3 liabilities. A reasonably sufficient number of copies of such
4 report shall be printed for distribution to persons
5 interested, upon request, and a copy thereof shall be filed
6 with the Governor, the Secretary of State, the State
7 Comptroller, the Secretary of the Senate and the Chief Clerk
8 of the House of Representatives.

9 Section 845-55. For the purposes of the Illinois
10 Securities Law of 1953, bonds issued by the Authority shall
11 be deemed to be securities issued by a public instrumentality
12 of the State of Illinois.

13 Section 845-60. Tax Exemption. The tax exemptions of
14 outstanding bonds issued by the Predecessor Authorities
15 pursuant to sections of the enabling acts of the Predecessor
16 Authorities applicable to those bonds when issued shall
17 remain valid and continue to be recognized by the State until
18 final payment of those bonds, notwithstanding the repeal of
19 the enabling acts of the Predecessor Authorities.

20 Section 845-65. If any provision of this Act is held
21 invalid, such provision shall be deemed to be excised and the
22 invalidity thereof shall not affect any of the other
23 provisions of this Act. If the application of any provision
24 of this Act to any person or circumstance is held invalid, it
25 shall not affect the application of such provision to such
26 persons or circumstances other than those as to which it is
27 held invalid.

28 Section 845-70. Tax avoidance. Notwithstanding any other
29 provision of law, the Authority shall not enter into any
30 agreement providing for the purchase and lease of tangible

1 personal property that results in the avoidance of taxation
2 under the Retailers' Occupation Tax Act, the Use Tax Act, the
3 Service Use Tax Act, or the Service Occupation Tax Act,
4 without the prior written consent of the Governor.

5 Section 845-75. Transfer of functions from previously
6 existing authorities to the Illinois Finance Authority. The
7 Illinois Finance Authority created by the Illinois Finance
8 Authority Act shall succeed to, assume and exercise all
9 rights, powers, duties and responsibilities formerly
10 exercised by the following Authorities and entities (herein
11 called the "Predecessor Authorities") prior to the abolition
12 of the Predecessor Authorities by this Act:

- 13 The Illinois Development Finance Authority
- 14 The Illinois Farm Development Authority
- 15 The Illinois Health Facilities Authority
- 16 The Illinois Educational Facilities Authority
- 17 The Illinois Community Development Finance Corporation
- 18 The Illinois Rural Bond Bank
- 19 The Research Park Authority

20 All books, records, papers, documents and pending
21 business in any way pertaining to the Predecessor Authorities
22 are transferred to the Illinois Finance Authority, but any
23 rights or obligations of any person under any contract made
24 by, or under any rules, regulations, uniform standards,
25 criteria and guidelines established or approved by, such
26 Predecessor Authorities shall be unaffected thereby. All
27 bonds, notes or other evidences of indebtedness outstanding
28 on the effective date of this Act shall be unaffected by the
29 transfer of functions to the Illinois Finance Authority. No
30 rule, regulation, standard, criteria or guideline
31 promulgated, established or approved by the Predecessor
32 Authorities pursuant to an exercise of any right, power, duty
33 or responsibility assumed by and transferred to the Illinois

1 Finance Authority shall be affected by this Act, and all such
2 rules, regulations, standards, criteria and guidelines shall
3 become those of the Illinois Finance Authority until such
4 time as they are amended or repealed by the Illinois Finance
5 Authority.

6 Section 845-80. Any reference in statute, in rule, or
7 otherwise to the following entities is a reference to the
8 Illinois Finance Authority created by this Act:

- 9 The Illinois Development Finance Authority.
- 10 The Illinois Farm Development Authority.
- 11 The Illinois Health Facilities Authority.
- 12 The Illinois Research Park Authority.
- 13 The Illinois Rural Bond Bank.
- 14 The Illinois Educational Facilities Authority.
- 15 The Illinois Community Development Finance Corporation.

16 Section 845-85. Any reference in statute, in rule, or
17 otherwise to the following Acts is a reference to this Act:

- 18 The Illinois Development Finance Authority Act.
- 19 The Illinois Farm Development Act.
- 20 The Illinois Health Facilities Authority Act.
- 21 The Illinois Research Park Authority Act.
- 22 The Rural Bond Bank Act.
- 23 The Illinois Educational Facilities Authority Act.
- 24 The Illinois Community Development Finance Corporation
25 Act.

26 ARTICLE 890

27 AMENDATORY PROVISIONS

28 Section 890-1. The Statute on Statutes is amended by
29 changing Section 8 as follows:

1 (5 ILCS 70/8) (from Ch. 1, par. 1107)

2 Sec. 8. Omnibus Bond Acts.

3 (a) A citation to the Omnibus Bond Acts is a citation to
4 all of the following Acts, collectively, as amended from time
5 to time: the Bond Authorization Act, the Registered Bond
6 Act, the Municipal Bond Reform Act, the Local Government Debt
7 Reform Act, subsection (a) of Section 1-7 of the Property Tax
8 Extension Limitation Act, subsection (a) of Section 18-190 of
9 the Property Tax Code, the Uniform Facsimile Signature of
10 Public Officials Act, the Local Government Bond Validity Act,
11 the Illinois Development Finance Authority Act, the Public
12 Funds Investment Act, the Local Government Credit Enhancement
13 Act, the Local Government Defeasance of Debt Law, the
14 Intergovernmental Cooperation Act, the Local Government
15 Financial Planning and Supervision Act, the Special
16 Assessment Supplemental Bond and Procedure Act, Section 12-5
17 of the Election Code, and any similar Act granting additional
18 omnibus bond powers to governmental entities generally,
19 whether enacted before, on, or after the effective date of
20 this amendatory Act of 1989.

21 (b) The General Assembly recognizes that the
22 proliferation of governmental entities has resulted in the
23 enactment of hundreds of statutory provisions relating to the
24 borrowing and other powers of governmental entities. The
25 General Assembly addresses and has addressed problems common
26 to all such governmental entities so that they have equal
27 access to the municipal bond market. It has been, and will
28 continue to be, the intention of the General Assembly to
29 enact legislation applicable to governmental entities in an
30 omnibus fashion, as has been done in the provisions of the
31 Omnibus Bond Acts.

32 (c) It is and always has been the intention of the
33 General Assembly that the Omnibus Bond Acts are and always
34 have been supplementary grants of power, cumulative in nature

1 and in addition to any power or authority granted in any
2 other laws of the State. The Omnibus Bond Acts are
3 supplementary grants of power when applied in connection with
4 any similar grant of power or limitation contained in any
5 other law of the State, whether or not the other law is
6 enacted or amended after an Omnibus Bond Act or appears to be
7 more restrictive than an Omnibus Bond Act, unless the General
8 Assembly expressly declares in such other law that a
9 specifically named Omnibus Bond Act does not apply.

10 (d) All instruments providing for the payment of money
11 executed by or on behalf of any governmental entity organized
12 by or under the laws of this State, including without
13 limitation the State, to carry out a public governmental or
14 proprietary function, acting through its corporate
15 authorities, or which any governmental entity has assumed or
16 agreed to pay, which were:

17 (1) issued or authorized to be issued by
18 proceedings adopted by such corporate authorities before
19 the effective date of this amendatory Act of 1989;

20 (2) issued or authorized to be issued in accordance
21 with the procedures set forth in or pursuant to any
22 authorization contained in any of the Omnibus Bond Acts;
23 and

24 (3) issued or authorized to be issued for any
25 purpose authorized by the laws of this State, are valid
26 and legally binding obligations of the governmental
27 entity issuing such instruments, payable in accordance
28 with their terms.

29 (Source: P.A. 90-480, eff. 8-17-97; 91-57, eff. 6-30-99.)

30 Section 890-2. The Department of Commerce and Community
31 Affairs Law of the Civil Administrative Code of Illinois is
32 amended by changing Sections 605-675, 605-915, 605-920, and
33 605-925 as follows:

1 (20 ILCS 605/605-675) (was 20 ILCS 605/46.66)

2 Sec. 605-675. Exporter award program. The Department
3 shall establish and operate, in cooperation with the
4 Department of Agriculture and the Illinois Development
5 Finance Authority, an annual awards program to recognize
6 Illinois-based exporters. In developing criteria for the
7 awards, the Department shall give consideration to the
8 exporting efforts of small and medium sized businesses,
9 first-time exporters, and other appropriate categories.

10 (Source: P.A. 91-239, eff. 1-1-00.)

11 (20 ILCS 605/605-915) (was 20 ILCS 605/46.45)

12 Sec. 605-915. Assisting local governments to achieve
13 lower borrowing costs. To cooperate with the Illinois
14 Development Finance Authority in assisting local governments
15 to achieve overall lower borrowing costs and more favorable
16 terms under ~~Sections 7.50 through 7.61~~ of the Illinois
17 Development Finance Authority Act, including using the
18 Department's federally funded Community Development
19 Assistance Program for those purposes.

20 (Source: P.A. 91-239, eff. 1-1-00.)

21 (20 ILCS 605/605-920) (was 20 ILCS 605/46.47)

22 Sec. 605-920. Assisting local governments; debt
23 management, capital facility planning, infrastructure. To
24 provide, in cooperation with the Illinois Development Finance
25 Authority, technical assistance to local governments with
26 respect to debt management and bond issuance, capital
27 facility planning, infrastructure financing, infrastructure
28 maintenance, fiscal management, and other infrastructure
29 areas.

30 (Source: P.A. 91-239, eff. 1-1-00.)

31 (20 ILCS 605/605-925) (was 20 ILCS 605/46.48)

1 Sec. 605-925. Helping local governments reduce
2 infrastructure costs. To develop and recommend to the
3 Governor and the General Assembly, in cooperation with the
4 Illinois Development Finance Authority and local governments,
5 methods and techniques that can be used to help local
6 governments reduce their public infrastructure costs,
7 including strengthened local financial management, user fees,
8 and other appropriate options.

9 (Source: P.A. 91-239, eff. 1-1-00.)

10 Section 890-3. The Illinois Enterprise Zone Act is
11 amended by changing Section 7 as follows:

12 (20 ILCS 655/7) (from Ch. 67 1/2, par. 611)

13 Sec. 7. State Incentives Regarding Public Services and
14 Physical Infrastructure.

15 (a) This Act does not restrict tax incentive financing
16 pursuant to the "Tax Increment Allocation Redevelopment Act".

17 (b) Industrial development bonds. Priority in the use
18 of industrial development bonds issued by the Illinois
19 Development Finance Authority shall be given to businesses
20 located in an Enterprise Zone.

21 (c) Deposit of State funds by the State Treasurer. The
22 State Treasurer is authorized and encouraged to place
23 deposits of State funds with financial institutions doing
24 business in an Enterprise Zone.

25 (Source: P.A. 84-1417.)

26 Section 890-4. The Energy Conservation and Coal
27 Development Act is amended by changing Section 15 as follows:

28 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

29 Sec. 15. (a) The Department, in cooperation with the
30 Illinois Development Finance Authority, shall establish a

1 program to assist units of local government, as defined in
2 the Illinois Development Finance Authority Act, to identify
3 and arrange financing for energy conservation projects for
4 buildings and facilities owned or leased by those units of
5 local government.

6 (b) The Department, in cooperation with the Illinois
7 Health Facilities Authority, shall establish a program to
8 assist health facilities to identify and arrange financing
9 for energy conservation projects for buildings and facilities
10 owned or leased by those health facilities.

11 (Source: P.A. 87-852; 88-45.)

12 Section 890-5. The Department of Public Health Powers
13 and Duties Law of the Civil Administrative Code of Illinois
14 is amended by changing Section 2310-200 as follows:

15 (20 ILCS 2310/2310-200) (was 20 ILCS 2310/55.53)

16 Sec. 2310-200. Programs to expand access to primary
17 care.

18 (a) The Department shall establish a program to expand
19 access to comprehensive primary care in medically underserved
20 communities throughout Illinois. This program may include
21 the provision of financial support and technical assistance
22 to eligible community health centers. To be eligible for
23 those grants, community health centers must meet requirements
24 comparable to those enumerated in Sections 329 and 330 of the
25 federal Public Health Service Act. In establishing its
26 program, the Department shall avoid duplicating resources in
27 areas already served by community health centers.

28 (b) The Department may develop financing programs with
29 the Illinois Development Finance Authority to carry out the
30 purposes of the Civil Administrative Code of Illinois or any
31 other Act that the Department is responsible for
32 administering. The Department may transfer to the Illinois

1 Development Finance Authority, into an account outside of the
2 State treasury, any moneys it deems necessary from its
3 accounts to establish bond reserve or credit enhancement
4 escrow accounts, or loan or equipment leasing programs. The
5 disposition of moneys at the conclusion of any such financing
6 program shall be determined by an interagency agreement.

7 (Source: P.A. 91-239, eff. 1-1-00.)

8 Section 890-6. The Asbestos Abatement Finance Act is
9 amended by changing Sections 2 and 3 as follows:

10 (20 ILCS 3510/2) (from Ch. 111 1/2, par. 8102)

11 Sec. 2. Definitions. The following words and terms,
12 whether or not capitalized, have the following meanings,
13 unless the context or use clearly requires otherwise:

14 "Asbestos" means asbestos as defined and used in the
15 federal Asbestos Hazard Emergency Response Act of 1986, as
16 now or hereafter amended, including the regulations
17 promulgated under that Act.

18 "Asbestos Abatement Project" means asbestos inspection,
19 planning and response action under and within the meaning of
20 the federal Asbestos Hazard Emergency Response Act of 1986,
21 as now or hereafter amended, to abate a health hazard caused
22 directly or indirectly by the existence of asbestos in any
23 building or other facility owned, operated, maintained or
24 occupied in whole or in part by a public corporation or a
25 private institution.

26 "Authority" means the Illinois Development Finance
27 Authority.

28 "Board" means the Board of the Authority.

29 "Bond" means any bond, note or other evidence of
30 indebtedness issued by the Authority under this Act.

31 "Chairman" means the Chairman of the Authority.

32 "Cost" as applied to an asbestos abatement project means

1 the costs incurred or to be incurred by a public corporation
2 or a private institution in the removal, encapsulation,
3 enclosure, repair, or maintenance of asbestos in any building
4 or other facility owned, operated, maintained or occupied in
5 whole or in part by a public corporation or a private
6 institution, including all incidental costs such as
7 engineering, architectural, consulting and legal expenses
8 incurred in connection with an asbestos abatement project,
9 plans, specifications, surveys, estimates of costs and
10 revenues, finance charges, interest before and during
11 construction of an asbestos abatement project and, for up to
12 18 months after completion of construction, other expenses
13 necessary or incident to determining the need, feasibility or
14 practicability of an asbestos abatement project,
15 administrative expenses, and such other costs, charges and
16 expenses as may be necessary or incident to the construction
17 or financing of any asbestos abatement project. As used in
18 this Act, "cost" means not only costs of an asbestos
19 abatement project expected to be incurred in the future, but
20 costs already incurred and paid by a public corporation or a
21 private institution so that a public corporation or a private
22 institution shall be permitted to reimburse itself for those
23 costs previously incurred and paid.

24 "Person" means any individual, firm, partnership,
25 association, or corporation, separately or in any
26 combination.

27 "Private institution" means any not-for-profit
28 organization within the meaning of Section 501(c)(3) of the
29 Internal Revenue Code of 1986, as now or hereafter amended,
30 including any private or nonpublic pre-school, day care
31 center, day or residential educational institution that
32 provides elementary or secondary education for grades 12 or
33 under, any private or nonpublic college or university, or any
34 hospital, health care or long term care institution.

1 "Private institution security" means any bond, note, loan
2 agreement, or other evidence of indebtedness which a private
3 institution is legally authorized to issue or enter into for
4 the purpose of financing or refinancing the costs of an
5 asbestos abatement project.

6 "Public corporation" means any body corporate organized
7 by or under the laws of this State to carry out a public
8 governmental or proprietary function, including the State,
9 any State agency, any school district, park district, city,
10 village, incorporated town, county, township, drainage or any
11 other type of district, board, commission, authority,
12 university, public community college or any combination
13 (including any combination under Section 10 of Article VII of
14 the Illinois Constitution or under the Intergovernmental
15 Cooperation Act of 1973, as now or hereafter amended), acting
16 through their corporate authorities, and any other unit of
17 local government within the meaning of Section 1 of Article
18 VII of the Illinois Constitution.

19 "Public corporation security" means any bond, note, loan
20 agreement, or other evidence of indebtedness which a public
21 corporation is legally authorized to issue or enter into for
22 the purpose of financing or refinancing the costs of an
23 asbestos abatement project.

24 "Secretary" means the Secretary of the Authority.

25 "State" means the State of Illinois.

26 "Treasurer" means the Treasurer of the Authority.

27 (Source: P.A. 86-976.)

28 (20 ILCS 3510/3) (from Ch. 111 1/2, par. 8103)

29 Sec. 3. Powers. In addition to the powers set forth
30 elsewhere in this Act and in The Illinois Development Finance
31 Authority Act, as now or hereafter amended, the Authority
32 may:

33 (a) Adopt an official seal.

1 (b) Maintain asbestos abatement suboffices at places
2 within the State as it designates.

3 (c) Sue and be sued, plead and be impleaded, all in its
4 own name, and agree to binding arbitration of any dispute to
5 which it is a party under this Act.

6 (d) Adopt bylaws, rules, and regulations to carry out
7 the provisions and purposes of this Act.

8 (e) Employ, either as regular employees or independent
9 contractors, consultants, engineers, architects, accountants,
10 attorneys, financial experts, construction experts,
11 superintendents, managers, other professional personnel, and
12 other persons as may be necessary or appropriate in the
13 judgment of the Authority to achieve the purposes of this
14 Act, and fix their compensation.

15 (f) Determine the locations of, develop, establish,
16 construct, erect, acquire, own, repair, remodel, add to,
17 extend, improve, equip, operate, regulate, and maintain
18 facilities to the extent necessary to accomplish the purposes
19 of this Act.

20 (g) Acquire, hold, lease, use, encumber, transfer, or
21 dispose of real and personal property, including the
22 alteration or demolition of improvements to real estate,
23 necessary to accomplish the purposes of this Act.

24 (h) Enter into contracts of any kind in furtherance of
25 or which are necessary or incidental to the purposes of this
26 Act or actions of the Authority taken under this Act.

27 (i) Regulate the use and operation of asbestos abatement
28 projects developed under the provisions of this Act, except
29 that asbestos abatement projects undertaken by schools shall
30 be governed by the Asbestos Abatement Act, the Asbestos
31 Hazard Emergency Response Act and by the regulations
32 promulgated by the Department of Public Health pursuant to
33 those Acts.

34 (j) Purchase from time to time by negotiated sale, upon

1 such terms as the Authority shall determine, public
2 corporation securities issued by one or more public
3 corporations for the purpose of paying costs of asbestos
4 abatement projects or private institution securities issued
5 by one or more private institutions for the purpose of paying
6 costs of asbestos abatement projects.

7 (k) Make loans from time to time, upon such terms as the
8 Authority shall determine, to public corporations and private
9 institutions for the purpose of paying costs of asbestos
10 abatement projects.

11 (l) Issue bonds in one or more series pursuant to one or
12 more resolutions adopted by the Board for the purpose of
13 purchasing or acquiring public corporation securities or
14 private institution securities issued for the purpose of
15 paying costs of asbestos abatement projects or for the
16 purpose of making loans to public corporations or private
17 institutions for the purpose of paying costs of asbestos
18 abatement projects, providing for the payment of any interest
19 deemed necessary on such bonds, paying for the costs of
20 issuance of such bonds, providing for the payment of any
21 premium on any insurance or the cost of any guarantees,
22 letters of credit or other credit enhancement facilities, or
23 providing for the funding of any reserves deemed necessary in
24 connection with such bonds, and refunding or advance
25 refunding (one or more times) any such bonds. Such bonds may
26 bear interest at any rate or rates (whether fixed or
27 variable, and whether current or deferred), notwithstanding
28 any other provision of law to the contrary, which rate or
29 rates may be established by an index or formula which may be
30 implemented or established by persons appointed or retained
31 therefor by the Authority, may bear such date or dates, may
32 be payable at such time or times and at such place or places,
33 may mature at any time or times not later than 40 years from
34 the date of issuance, may be sold at competitive or

1 negotiated sale at such time or times and at such price or
2 prices, may be secured by such pledges, covenants, reserves,
3 guarantees, letters of credit or other credit enhancement
4 facilities, may be issued and secured by such form of trust
5 agreement between the Authority and a bank or trust company
6 having the powers of a trust company within or without the
7 State, may be executed in such manner, may be subject to
8 redemption prior to maturity, and may be subject to such
9 other terms and conditions, as are provided by the Authority
10 in the resolution authorizing the issuance of any such bonds.

11 (m) Provide for the establishment and funding of any
12 reserves or other funds or accounts deemed necessary by the
13 Authority in connection with any bonds issued by the
14 Authority under this Act, any public corporation securities
15 or private institution securities purchased or acquired by
16 the Authority, or any loan made by the Authority to a public
17 corporation or a private institution, and deposit into such
18 reserves, funds or accounts the proceeds of any bonds issued
19 by the Authority or any other funds of the Authority or any
20 funds of a public corporation or a private institution which
21 may be applied for such purpose. Such reserves, funds or
22 accounts may be held by a corporate trustee, which may be any
23 trust company or bank having the powers of a trust company
24 located within or outside the State.

25 (n) Pledge any public corporation security or private
26 institution security, including any payment thereon, and any
27 other funds of the Authority which may be applied to such
28 purpose, as security for any bonds issued by the Authority or
29 to secure any letter of credit, guarantee or other credit
30 enhancement facility.

31 (o) Enter into agreements or other transactions with any
32 federal, State or local governmental agency in connection
33 with this Act.

34 (p) Receive and accept from any federal agency, subject

1 to the approval of the Governor, grants for or in aid of the
2 construction of asbestos abatement projects or for research
3 and development with respect to asbestos abatement projects,
4 such grants to be held, used and applied only for the
5 purposes for which such grants were made.

6 (q) Charge fees to defray the cost of letters of credit,
7 guarantees or other credit enhancement facilities, trustees,
8 depositaries, paying agents, bond registrars, escrow agents,
9 tender agents and other administrative and program expenses;
10 and otherwise charge such program fees consistent with the
11 purposes of this Act as the Authority shall from time to time
12 determine. Any such fees shall be payable in such amounts and
13 at such times as the Authority shall determine, and the
14 amount of the fees need not be uniform among the various
15 series of bonds issued by the Authority or among the issuers
16 of public corporation securities or private institution
17 securities purchased or acquired or proposed to be purchased
18 or acquired by the Authority.

19 (r) Prescribe application forms, notification forms,
20 forms of contracts, loan agreements, financing agreements and
21 security agreements, and such other forms as the Authority
22 deems necessary or appropriate in connection with this Act.

23 (s) Purchase or acquire any bonds of the Authority
24 issued under this Act for cancellation, resale, or
25 reissuance.

26 (t) Subject to the provisions of any resolution,
27 indenture, or other contract with the owners of bonds, sell,
28 or otherwise transfer or dispose of public corporation
29 securities or private institution securities acquired under
30 this Act.

31 (u) Do any and all things necessary or convenient to
32 carry out the purposes of, and exercise the powers expressly
33 given and granted in, this Act, including the adoption of
34 rules under The Illinois Administrative Procedure Act, as now

1 or hereafter amended, as are necessary to carry out the
2 powers and duties conferred by this Act.

3 (Source: P.A. 86-976.)

4 Section 890-7. The Illinois Environmental Facilities
5 Financing Act is amended by changing Sections 3, 4, and 7 as
6 follows:

7 (20 ILCS 3515/3) (from Ch. 127, par. 723)

8 Sec. 3. Definitions. In this Act, unless the context
9 otherwise clearly requires, the terms used herein shall have
10 the meanings ascribed to them as follows:

11 (a) "Bonds" means any bonds, notes, debentures,
12 temporary, interim or permanent certificates of indebtedness
13 or other obligations evidencing indebtedness.

14 (b) "Directing body" means the members of the State
15 authority.

16 (c) "Environmental facility" or "facilities" means any
17 land, interest in land, building, structure, facility,
18 system, fixture, improvement, appurtenance, machinery,
19 equipment or any combination thereof, and all real and
20 personal property deemed necessary therewith, having to do
21 with or the primary purpose of which is, reducing,
22 controlling or preventing pollution, or reclaiming surface
23 mined land. Environmental facilities may be located anywhere
24 in this State and may include those facilities or processes
25 used to (i) remove potential pollutants from coal prior to
26 combustion, (ii) reduce the volume or composition of
27 hazardous waste by changing or replacing manufacturing
28 equipment or processes, (iii) recycle hazardous waste, or
29 (iv) recover resources from hazardous waste. Environmental
30 facilities may also include (i) solar collectors, solar
31 storage mechanisms and solar energy systems, as defined in
32 Section 10-5 of the Property Tax Code; (ii) facilities

1 designed to collect, store, transfer, or distribute, for
2 residential, commercial or industrial use, heat energy which
3 is a by-product of industrial or energy generation processes
4 and which would otherwise be wasted; (iii) facilities
5 designed to remove pollutants from emissions that result from
6 the combustion of coal; and (iv) facilities for the
7 combustion of coal in a fluidized bed boiler. Environmental
8 facilities include landfill gas recovery facilities, as
9 defined in the Illinois Environmental Protection Act.

10 Environmental facilities do not include any land,
11 interest in land, buildings, structure, facility, system,
12 fixture, improvement, appurtenance, machinery, equipment or
13 any combination thereof, and all real and personal property
14 deemed necessary therewith, having to do with a hazardous
15 waste disposal site, except where such land, interest in
16 land, buildings, structure, facility, system, fixture,
17 improvement, appurtenance, machinery, equipment, real or
18 personal property are used for the management or recovery of
19 gas generated by a hazardous waste disposal site or are used
20 for recycling, reclamation, tank storage or treatment in
21 tanks which occurs on the same site as a hazardous waste
22 disposal site.

23 (d) "Finance" or "financing" means the issuing of
24 revenue bonds pursuant to Section 9 of this Act by the State
25 authority for the purpose of using the proceeds to pay
26 project costs for an environmental or hazardous waste
27 treatment facility including one in or to which title at all
28 times remains in a person other than the State authority, in
29 which case the bonds of the Authority are secured by a pledge
30 of one or more notes, debentures, bonds or other obligations,
31 secured or unsecured, of any person.

32 (e) "Person" means any individual, partnership,
33 copartnership, firm, company, corporation (including public
34 utilities), association, joint stock company, trust, estate,

1 political subdivision, state agency, or any other legal
2 entity, or their legal representative, agent or assigns.

3 (f) "Pollution" means any form of environmental
4 pollution including, but not limited to, water pollution, air
5 pollution, land pollution, solid waste pollution, thermal
6 pollution, radiation contamination, or noise pollution as
7 determined by the various standards prescribed by this state
8 or the federal government and including but not limited to,
9 anything which is considered as pollution or environmental
10 damage in the Environmental Protection Act, approved June 29,
11 1970, as now or hereafter amended.

12 (g) "Project costs" as applied to environmental or
13 hazardous waste treatment facilities financed under this Act
14 means and includes the sum total of all reasonable or
15 necessary costs incidental to the acquisition, construction,
16 reconstruction, repair, alteration, improvement and extension
17 of such environmental or hazardous waste treatment facilities
18 including without limitation the cost of studies and surveys;
19 plans, specifications, architectural and engineering
20 services; legal, organization, marketing or other special
21 services; financing, acquisition, demolition, construction,
22 equipment and site development of new and rehabilitated
23 buildings; rehabilitation, reconstruction, repair or
24 remodeling of existing buildings and all other necessary and
25 incidental expenses including an initial bond and interest
26 reserve together with interest on bonds issued to finance
27 such environmental or hazardous waste treatment facilities to
28 a date 6 months subsequent to the estimated date of
29 completion.

30 (h) "State authority" or "authority" means the Illinois
31 Development Finance Authority created by the Illinois
32 Development Finance Authority Act.

33 (i) "Small business" or "small businesses" means those
34 commercial and manufacturing entities which at the time of

1 their application to the authority meet those criteria, as
2 interpreted and applied by the State authority, for
3 definition as a "small business" established for the Small
4 Business Administration and set forth as Section 121.3-10 of
5 Part 121 of Title 13 of the Code of Federal Regulations as
6 such Section is in effect on the effective date of this
7 amendatory Act of 1975.

8 (j) "New coal-fired electric utility steam generating
9 plants" and "new coal-fired industrial boilers" means those
10 plants and boilers on which construction begins after the
11 effective date of this amendatory Act of 1981.

12 (k) "Hazardous waste treatment facility" means any land,
13 interest in land, building, structure, facility, system,
14 fixture, improvement, appurtenance, machinery, equipment, or
15 any combination thereof, and all real and personal property
16 deemed necessary therewith, the primary purpose of which is
17 to recycle, incinerate, or physically, chemically,
18 biologically or otherwise treat hazardous wastes, or to
19 reduce the production of hazardous wastes by changing or
20 replacing manufacturing equipment or processes, and which
21 meets the requirements of the Environmental Protection Act
22 and all regulations adopted thereunder.

23 (Source: P.A. 88-670, eff. 12-2-94.)

24 (20 ILCS 3515/4) (from Ch. 127, par. 724)

25 Sec. 4. Transfer of functions from the Illinois
26 Development Finance Environmental---Facilities---Financing
27 Authority to the Illinois Development Finance Authority. The
28 Illinois Development Finance Authority created by the
29 Illinois Development Finance Authority Act shall succeed to,
30 assume and exercise all rights, powers, duties and
31 responsibilities formerly exercised by the Illinois
32 Development Finance Environmental---Facilities---Financing
33 Authority prior to the abolition of that Authority by this

1 amendatory Act of the 93rd General Assembly 1983. All books,
2 records, papers, documents and pending business in any way
3 pertaining to the former Illinois Development Finance
4 Environmental-Facilities-Financing Authority are transferred
5 to the Illinois Development Finance Authority, but any rights
6 or obligations of any person under any contract made by, or
7 under any rules, regulations, uniform standards, criteria and
8 guidelines established or approved by such former Illinois
9 Environmental Facilities Financing Authority shall be
10 unaffected thereby. All bonds, notes or other evidences of
11 indebtedness outstanding on the effective date of this
12 amendatory Act of the 93rd General Assembly 1983 shall be
13 unaffected by the transfer of functions to the Illinois
14 Development Finance Authority. No rule, regulation,
15 standard, criteria or guideline promulgated, established or
16 approved by the former Illinois Development Finance
17 Environmental-Facilities-Financing Authority pursuant to an
18 exercise of any right, power, duty or responsibility assumed
19 by and transferred to the Illinois Development Finance
20 Authority shall be affected by this amendatory Act of the
21 93rd General Assembly 1983, and all such rules, regulations,
22 standards, criteria and guidelines shall become those of the
23 Illinois Development Finance Authority until such time as
24 they are amended or repealed by the Authority. Any action,
25 including without limitation, approvals of applications for
26 bonds and resolutions constituting official action under the
27 Internal Revenue Code, by the Illinois Environmental
28 Facilities Financing Authority prior to the September 23,
29 1983 effective date of Public Act 83-669 shall remain
30 effective to the same extent as if such action had been taken
31 by the Authority and shall be deemed to be action taken by
32 the Authority. The State authority is constituted a public
33 instrumentality and the exercise by the State authority of
34 the powers conferred by this Act shall be deemed and held to

1 be the performance of an essential public function. ~~Sections~~
2 ~~7.42---through--7.48--of~~ The Illinois Development Finance
3 Authority Act shall not apply to the provision of financing
4 for environmental facilities by the Authority, unless such
5 financing is provided pursuant to ~~such-Sections-of~~ such Act.
6 (Source: P.A. 83-1362.)

7 (20 ILCS 3515/7) (from Ch. 127, par. 727)

8 Sec. 7. Powers. In addition to the powers otherwise
9 authorized by law, for the purposes of this Act, the State
10 authority shall have the following powers together with all
11 powers incidental thereto or necessary for the performance
12 thereof:

13 (1) to have perpetual succession as a body politic and
14 corporate;

15 (2) to adopt bylaws for the regulation of its affairs
16 and the conduct of its business;

17 (3) to sue and be sued and to prosecute and defend
18 actions in the courts;

19 (4) to have and to use a corporate seal and to alter the
20 same at pleasure;

21 (5) to maintain an office at such place or places as it
22 may designate;

23 (6) to determine the location, pursuant to the
24 Environmental Protection Act, and the manner of construction
25 of any environmental or hazardous waste treatment facility to
26 be financed under this Act and to acquire, construct,
27 reconstruct, repair, alter, improve, extend, own, finance,
28 lease, sell and otherwise dispose of the facility, to enter
29 into contracts for any and all of such purposes, to designate
30 a person as its agent to determine the location and manner of
31 construction of an environmental or hazardous waste treatment
32 facility undertaken by such person under the provisions of
33 this Act and as agent of the authority to acquire, construct,

1 reconstruct, repair, alter, improve, extend, own, lease, sell
2 and otherwise dispose of the facility, and to enter into
3 contracts for any and all of such purposes;

4 (7) to finance and to lease or sell to a person any or
5 all of the environmental or hazardous waste treatment
6 facilities upon such terms and conditions as the directing
7 body considers proper, and to charge and collect rent or
8 other payments therefor and to terminate any such lease or
9 sales agreement or financing agreement upon the failure of
10 the lessee, purchaser or debtor to comply with any of the
11 obligations thereof; and to include in any such lease or
12 other agreement, if desired, provisions that the lessee,
13 purchaser or debtor thereunder shall have options to renew
14 the term of the lease, sales or other agreement for such
15 period or periods and at such rent or other consideration as
16 shall be determined by the directing body or to purchase any
17 or all of the environmental or hazardous waste treatment
18 facilities for a nominal amount or otherwise or that at or
19 prior to the payment of all of the indebtedness incurred by
20 the authority for the financing of such environmental or
21 hazardous waste treatment facilities the authority may convey
22 any or all of the environmental or hazardous waste treatment
23 facilities to the lessee or purchaser thereof with or without
24 consideration;

25 (8) to issue bonds for any of its corporate purposes,
26 including a bond issuance for the purpose of financing a
27 group of projects involving environmental facilities, and to
28 refund those bonds, all as provided for in this Act and
29 subject to Section 13 of this Act;

30 (9) generally to fix and revise from time to time and
31 charge and collect rates, rents, fees and charges for the use
32 of and services furnished or to be furnished by any
33 environmental or hazardous waste treatment facility or any
34 portion thereof and to contract with any person, firm or

1 corporation or other body public or private in respect
2 thereof;

3 (10) to employ consulting engineers, architects,
4 attorneys, accountants, construction and financial experts,
5 superintendents, managers and such other employees and agents
6 as may be necessary in its judgment and to fix their
7 compensation;

8 (11) to receive and accept from any public agency loans
9 or grants for or in aid of the construction of any
10 environmental facility and any portion thereof, or for
11 equipping the facility, and to receive and accept grants,
12 gifts or other contributions from any source;

13 (12) to refund outstanding obligations incurred by any
14 person to finance the cost of an environmental or hazardous
15 waste treatment facility including obligations incurred for
16 environmental or hazardous waste treatment facilities
17 undertaken and completed prior to or after the enactment of
18 this Act when the authority finds that such financing is in
19 the public interest;

20 (13) to prohibit the financing of environmental
21 facilities for new coal-fired electric steam generating
22 plants and new coal-fired industrial boilers which do not use
23 Illinois coal as the primary source of fuel;

24 (14) to set and impose appropriate financial penalties
25 on any person who receives financing from the State authority
26 based on a commitment to use Illinois coal as the primary
27 source of fuel at a new coal-fired electric utility steam
28 generating plant or new coal-fired industrial boiler and
29 later uses non-Illinois coal as the primary source of fuel;

30 (15) to fix, determine, charge and collect any premiums,
31 fees, charges, costs and expenses, including, without
32 limitation, any application fees, program fees, commitment
33 fees, financing charges or publication fees in connection
34 with its activities under this Act; all expenses of the State

1 authority incurred in carrying out this Act are payable
2 solely from funds provided under the authority of this Act
3 and no liability shall be incurred by any authority beyond
4 the extent to which moneys are provided under this Act. All
5 fees and moneys accumulated by the Authority as provided in
6 this Act or the Illinois Development Finance Authority Act
7 shall be held outside of the State treasury and in the
8 custody of the Treasurer of the Authority; and

9 (16) to do all things necessary and convenient to carry
10 out the purposes of this Act.

11 The State authority may not operate any environmental or
12 hazardous waste treatment facility as a business except for
13 the purpose of protecting or maintaining such facility as
14 security for bonds of the State authority. No environmental
15 or hazardous waste treatment facilities completed prior to
16 January 1, 1970 may be financed by the State authority under
17 this Act, but additions and improvements to such
18 environmental or hazardous waste treatment facilities which
19 are commenced subsequent to January 1, 1970 may be financed
20 by the State authority. Any lease, sales agreement or other
21 financing agreement in connection with an environmental or
22 hazardous waste treatment facility entered into pursuant to
23 this Act must be for a term not shorter than the longest
24 maturity of any bonds issued to finance such environmental or
25 hazardous waste treatment facility or a portion thereof and
26 must provide for rentals or other payments adequate to pay
27 the principal of and interest and premiums, if any, on such
28 bonds as the same fall due and to create and maintain such
29 reserves and accounts for depreciation, if any, as the
30 directing body determines to be necessary.

31 The Authority shall give priority to providing financing
32 for the establishment of hazardous waste treatment facilities
33 necessary to achieve the goals of Section 22.6 of the
34 Environmental Protection Act.

1 The Authority shall give special consideration to small
2 businesses in authorizing the issuance of bonds for the
3 financing of environmental facilities pursuant to subsection
4 (c) of Section 2.

5 The Authority shall make a financial report on all
6 projects financed under this Section to the General Assembly,
7 to the Governor, and to the Illinois Economic and Fiscal
8 Commission by April 1 of each year. Such report shall be a
9 public record and open for inspection at the offices of the
10 Authority during normal business hours. The report shall
11 include: (a) all applications for loans and other financial
12 assistance presented to the members of the Authority during
13 such fiscal year, (b) all projects and owners thereof which
14 have received any form of financial assistance from the
15 Authority during such year, (c) the nature and amount of all
16 such assistance, and (d) projected activities of the
17 Authority for the next fiscal year, including projection of
18 the total amount of loans and other financial assistance
19 anticipated and the amount of revenue bonds or other
20 evidences of indebtedness that will be necessary to provide
21 the projected level of assistance during the next fiscal
22 year.

23 The requirement for reporting to the General Assembly
24 shall be satisfied by filing copies of the report with the
25 Speaker, the Minority Leader and the Clerk of the House of
26 Representatives and the President, the Minority Leader and
27 the Secretary of the Senate and the Legislative Research
28 Unit, as required by Section 3.1 of "An Act to revise the law
29 in relation to the General Assembly", approved February 25,
30 1874, as amended, and filing such additional copies with the
31 State Government Report Distribution Center for the General
32 Assembly as is required under paragraph (t) of Section 7 of
33 the State Library Act.

34 (Source: P.A. 88-519.)

1 Section 890-8. The Bond Authorization Act is amended by
2 changing Section 2 as follows:

3 (30 ILCS 305/2) (from Ch. 17, par. 6602)

4 Sec. 2. Notwithstanding the provisions of any other law
5 to the contrary, any public corporation may agree or contract
6 to pay interest on bonds or other evidences of indebtedness
7 and tax anticipation warrants issued pursuant to law at an
8 interest rate or rates not exceeding the greater of 9% per
9 annum or 125% of the rate for the most recent date shown in
10 the 20 G.O. Bonds Index of average municipal bond yields as
11 published in the most recent edition of The Bond Buyer,
12 published in New York, New York (or any successor publication
13 or index, or if such publication or index is no longer
14 published, then any index of long term municipal tax-exempt
15 bond yields then selected by a governing body), at the time
16 the contract is made for the sale of the bonds or other
17 evidences of indebtedness or tax anticipation warrants. A
18 contract is made with respect to notes or bonds when the
19 public corporation is contractually obligated to issue notes,
20 bonds, or other evidences of indebtedness or tax anticipation
21 warrants to a purchaser who is contractually obligated to
22 purchase them; and, with respect to bonds or notes bearing
23 interest at a variable rate or subject to payment upon
24 periodic demand or put or otherwise subject to remarketing by
25 or for the public corporation, a contract is made on each
26 date of change in the variable rate or such demand, put or
27 remarketing. When bonds or other evidences of indebtedness
28 or tax anticipation warrants are to be issued by a public
29 corporation on a basis which is not tax-exempt under Section
30 103 of the Internal Revenue Code of 1986, as now or hereafter
31 amended, or successor code or provision, then the interest
32 rate or rates payable thereon shall be determined by
33 substituting 13 1/2% for 9% and 200% for 125% in the first

1 sentence of this Section.

2 These amendatory Acts of 1971, 1972, 1973, 1975, 1979,
3 1982, 1983, 1987 and 1988 are not limits upon any home rule
4 unit.

5 This Act is not a limit with respect to any bonds, notes
6 and other evidences of obligation for borrowed money issued
7 by any public corporation and purchased or otherwise acquired
8 by the Illinois Development Finance Authority, pursuant to
9 Sections--7.50--through--7.61--of the Illinois Development
10 Finance Authority Act, and such bonds, notes and other
11 evidences of obligation for borrowed money may bear interest
12 at any rate or rates, and such rate or rates may be
13 established by an index or formula which may be implemented
14 or established by persons appointed or retained therefor,
15 notwithstanding any other provision of law to the contrary.
16 (Source: P.A. 85-1440.)

17 Section 890-9. The Human Services Provider Bond Reserve
18 Payment Act is amended by changing Section 10 as follows:

19 (30 ILCS 435/10)

20 Sec. 10. Definitions. For the purposes of this Act:

21 (a) "Service provider" means any nongovernmental entity,
22 either for-profit or not-for-profit, that enters into a
23 contract with a State agency under which the entity is paid
24 or reimbursed by the State for providing human services to
25 persons in Illinois.

26 (b) "State agency" means the Department of Public Aid,
27 the Department of Public Health, the Department of Children
28 and Family Services, the Department of Human Services, and
29 any other department or agency of State government that
30 enters into contracts with service providers under which the
31 provider is paid or reimbursed by the State for providing
32 human services to persons in Illinois.

1 (c) "Covered bond issue" means revenue bonds (i) that
2 are issued by any agency of State or local government within
3 this State, including without limitation bonds issued by the
4 Illinois Development Finance Authority, (ii) that are to be
5 directly or indirectly paid, in whole or in part, from
6 payments due to a service provider under a human services
7 contract with a State agency, and (iii) for which a debt
8 service reserve or other reserve fund has been established,
9 under the control of a named trustee, that the service
10 provider is required to replenish in the event that moneys
11 from the reserve fund are used to make payments of principal
12 or interest on the bonds.

13 (Source: P.A. 88-117; 89-507, eff. 7-1-97.)

14 Section 890-10. The Build Illinois Act is amended by
15 changing Sections 1-3 and 8-3 as follows:

16 (30 ILCS 750/1-3) (from Ch. 127, par. 2701-3)

17 Sec. 1-3. The following agencies, boards and entities of
18 State government may expend appropriations for the purposes
19 contained in this Act: Department of Natural Resources;
20 Department of Agriculture; Illinois Development Finance
21 Authority; Capital Development Board; Department of
22 Transportation; Department of Central Management Services;
23 Illinois Arts Council; Environmental Protection Agency;
24 Historic Preservation Agency; State Board of Higher
25 Education; the Metropolitan Pier and Exposition Authority;
26 State Board of Education; Illinois Community College Board;
27 Board of Trustees of the University of Illinois; Board of
28 Trustees of Chicago State University; Board of Trustees of
29 Eastern Illinois University; Board of Trustees of Governors
30 State University; Board of Trustees of Illinois State
31 University; Board of Trustees of Northeastern Illinois
32 University; Board of Trustees of Northern Illinois

1 University; Board of Trustees of Western Illinois University;
2 and Board of Trustees of Southern Illinois University.
3 (Source: P.A. 89-4, eff. 1-1-96; 89-445, eff. 2-7-96.)

4 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)
5 Sec. 8-3. Powers of the Department. The Department has
6 the power to:

7 (a) provide business development public infrastructure
8 loans or grants from appropriations from the Build Illinois
9 Bond Fund, the Build Illinois Purposes Fund, the Fund for
10 Illinois' Future, and the Public Infrastructure Construction
11 Loan Fund to local governments to provide or improve a
12 community's public infrastructure so as to create or retain
13 private sector jobs pursuant to the provisions of this
14 Article;

15 (b) provide affordable financing of public
16 infrastructure loans and grants to, or on behalf of, local
17 governments, local public entities, medical facilities, and
18 public health clinics from appropriations from the Public
19 Infrastructure Construction Loan Fund for the purpose of
20 assisting with the financing, or application and access to
21 financing, of a community's public infrastructure necessary
22 to health, safety, and economic development;

23 (c) enter into agreements, accept funds or grants, and
24 engage in cooperation with agencies of the federal
25 government, or state or local governments to carry out the
26 purposes of this Article, and to use funds appropriated
27 pursuant to this Article to participate in federal
28 infrastructure loan and grant programs upon such terms and
29 conditions as may be established by the federal government;

30 (d) establish application, notification, contract, and
31 other procedures, rules, or regulations deemed necessary and
32 appropriate to carry out the provisions of this Article;

33 (e) coordinate assistance under this program with

1 activities of the Illinois Development Finance Authority in
2 order to maximize the effectiveness and efficiency of State
3 development programs;

4 (f) coordinate assistance under the Affordable Financing
5 of Public Infrastructure Loan and Grant Program with the
6 activities of the Illinois Development Finance Authority,
7 Illinois Rural Bond Bank, Illinois Farm Development
8 Authority, Illinois Housing Development Authority, Illinois
9 Environmental Protection Agency, and other federal and State
10 programs and entities providing financing assistance to
11 communities for public health, safety, and economic
12 development infrastructure;

13 (f-5) provide staff, administration, and related support
14 required to manage the programs authorized under this Article
15 and pay for the staffing, administration, and related support
16 from the Public Infrastructure Construction Loan Revolving
17 Fund;

18 (g) exercise such other powers as are necessary or
19 incidental to the foregoing.

20 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

21 Section 890-11. The Illinois Pension Code is amended by
22 changing Sections 14-103.04 and 14-104.11 as follows:

23 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)
24 Sec. 14-103.04. Department. "Department": Any
25 department, institution, board, commission, officer, court,
26 or any agency of the State having power to certify payrolls
27 to the State Comptroller authorizing payments of salary or
28 wages against State appropriations, or against trust funds
29 held by the State Treasurer, except those departments
30 included under the term "employer" in the State Universities
31 Retirement System. "Department" includes the Illinois
32 Development Finance Authority. "Department" also includes

1 the Illinois Comprehensive Health Insurance Board and the
2 Illinois Rural Bond Bank.

3 (Source: P.A. 90-511, eff. 8-22-97.)

4 (40 ILCS 5/14-104.11)

5 Sec. 14-104.11. Illinois Development Finance Authority.

6 An employee may establish creditable service for periods
7 prior to the date upon which the Illinois Development Finance
8 Authority first becomes a department (as defined in Section
9 14-103.04) during which he or she was employed by the
10 Illinois Development Finance Authority or the Illinois
11 Industrial Development Authority, by applying in writing and
12 paying to the System an amount equal to (i) employee
13 contributions for the period for which credit is being
14 established, based upon the employee's compensation and the
15 applicable contribution rate in effect on the date he or she
16 last became a member of the System, plus (ii) the employer's
17 normal cost of the credit established, plus (iii) interest on
18 the amounts in items (i) and (ii) at the rate of 2.5% per
19 year, compounded annually, from the date the applicant last
20 became a member of the System to the date of payment. This
21 payment must be paid in full before retirement, either in a
22 lump sum or in installment payments in accordance with the
23 rules of the Board.

24 (Source: P.A. 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

25 Section 890-12. The Local Government Financial Planning
26 and Supervision Act is amended by changing Sections 4, 5, and
27 10 as follows:

28 (50 ILCS 320/4) (from Ch. 85, par. 7204)

29 Sec. 4. Petition.

30 (a) This subsection (a) applies through December 31,
31 1992. Any unit of local government upon a 2/3 vote of the

1 members of its governing body may petition the Governor for
2 the establishment of a financial planning and supervision
3 commission if the governing body of the unit of local
4 government determines that a fiscal emergency, as defined in
5 Section 3, exists or will exist within 60 days. A copy of the
6 petition shall be filed with the Illinois Development Finance
7 Authority requesting the assistance of the Authority in
8 conducting an analysis of the financial condition of the unit
9 of local government. A petition shall include the conditions
10 of fiscal emergency, a list of all amounts and types of
11 indebtedness or claims known to the unit of local government,
12 and which creditors are subject to the stay provisions of
13 Section 7 of this Act.

14 (b) This subsection (b) applies on and after January 1,
15 1993. Any unit of local government upon a 2/3 vote of the
16 members of its governing body may petition the Governor for
17 the establishment of a financial planning and supervision
18 commission if the governing body of the unit of local
19 government determines that a fiscal emergency, as defined in
20 Section 3, exists or will exist within 60 days. A petition
21 shall include the conditions of fiscal emergency and a list
22 of all creditors of the unit of local government, which list
23 shall indicate the names, addresses, amounts and types of
24 indebtedness or claims of such creditors, and which of such
25 creditors are subject to the stay provisions of Section 7 of
26 this Act.

27 (Source: P.A. 86-1211; 87-853.)

28 (50 ILCS 320/5) (from Ch. 85, par. 7205)

29 Sec. 5. Establishment of commission.

30 (a) This subsection (a) applies through December 31,
31 1992.

32 (1) Upon receipt of a petition for establishment of a
33 financial planning and supervision commission, the Governor

1 may direct the establishment of such a commission if the
2 Governor determines that a fiscal emergency exists.

3 (2) Prior to making such determination, the Governor
4 shall give reasonable notice and opportunity for a hearing to
5 all creditors of the petitioning unit of local government
6 who are subject to the stay provisions of Section 7 of this
7 Act. The determination shall be entered not less than 60 days
8 after the filing of the petition. A determination of fiscal
9 emergency by the Governor shall be a final administrative
10 decision subject to the provisions of the Administrative
11 Review Law. The court on such review may grant exceptions to
12 the stay provisions of Section 7 of this Act as adequate
13 protection of creditors' interests or equity may require.
14 The commission shall convene within 30 days of the entry by
15 the Governor of his or her determination of the fiscal
16 emergency.

17 (3)(A) The Commission shall consist of 7 Directors.

18 (B) One Director shall be appointed by the chief
19 executive officer of the unit of local government.

20 (C) One Director shall be appointed by the majority
21 vote of the governing body of the unit of local
22 government.

23 (D) Five Directors shall be appointed by the
24 Governor, with the advice and consent of the Senate. The
25 Governor shall select one of the Directors to serve as
26 Chairperson during the term of his or her appointment.
27 Of the initial Directors so appointed, 3 shall be
28 appointed to serve for terms expiring 3 years from the
29 date of their appointment, and 2 shall be appointed to
30 serve for terms expiring 2 years from the date of their
31 appointment. Thereafter, each Director appointed by the
32 Governor shall be appointed to hold office for a term of
33 3 years and until his or her successor has been appointed
34 as provided in Section 8-12-7 of the Illinois Municipal

1 Code. Directors shall be eligible for reappointment.
2 Any vacancy which shall arise shall be filled by
3 appointment by the Governor, with the advice and consent
4 of the Senate, for the unexpired term and until a
5 successor Director has been appointed as provided in
6 Section 8-12-7 of the Illinois Municipal Code. A vacancy
7 shall occur upon resignation, death, conviction of a
8 felony, or removal from office of a Director. A Director
9 may be removed for incompetency, malfeasance, or neglect
10 of duty at the instance of the Governor. If the Senate
11 is not in session or is in recess when appointments
12 subject to its confirmation are made, the Governor shall
13 make temporary appointments which shall be subject to
14 subsequent Senate approval.

15 (b) This subsection (b) applies on and after January 1,
16 1993.

17 (1) Upon receipt of a petition for establishment of a
18 financial planning and supervision commission, the Governor
19 may direct the establishment of such a commission if the
20 Governor determines that a fiscal emergency exists.

21 (2) Prior to making such determination, the Governor
22 shall give reasonable notice and opportunity for a hearing to
23 all creditors of the petitioning unit of local government.
24 The determination shall be entered not less than 60 days
25 after the filing of the petition. A determination of fiscal
26 emergency by the Governor shall be a final administrative
27 decision subject to the provisions of the Administrative
28 Review Law. The court on such review may grant exceptions to
29 the stay provisions of Section 7 of this Act as adequate
30 protection of creditors' interests or equity may require.
31 The commission shall convene within 30 days of the entry by
32 the Governor of his or her determination of the fiscal
33 emergency.

34 (3) A commission shall consist of 11 members:

1 (A) Eight members as follows: the Governor, the
2 State Comptroller, the Director of Revenue, the Director
3 of the Bureau of the Budget, the State Treasurer, the
4 Executive Director of the Illinois Development Finance
5 Authority, the Director of the Department of Commerce and
6 Community Affairs and the presiding officer of the
7 governing body of the unit of local government, or their
8 respective designees. A designee, when present, shall be
9 counted in determining whether a quorum is present at any
10 meeting of the commission and may vote and participate in
11 all proceedings and actions of the commission. The
12 designations shall be in writing, executed by the member
13 making the designation, and filed with the secretary of
14 the commission. The designations may be changed from
15 time to time in like manner, but due regard shall be
16 given to the need for continuity. The Governor shall
17 appoint a chairman of the commission from among the 8
18 members described in this subparagraph (A).

19 (B) Three members nominated and appointed as
20 follows: the governing body and chief governing officer
21 of the unit of local government shall submit in writing
22 to the chairman of the commission the nomination of 5
23 persons agreed to by them and meeting the qualifications
24 set forth in this Act. Nominations shall accompany the
25 petition for establishment of the financial planning and
26 supervision commission. If the chairman is not satisfied
27 that at least 3 of the nominees are well qualified, he
28 shall notify the governing body of the unit of local
29 government to submit in writing, within 5 days,
30 additional nominees, not exceeding 3. The chairman shall
31 appoint 3 members from all the nominees so submitted or a
32 lesser number that he considers well qualified. Each of
33 the 3 appointed members shall serve for a term of one
34 year, subject to removal by the chairman for misfeasance,

1 nonfeasance or malfeasance in office. Upon the
2 expiration of the term of an appointed member, or in the
3 event of the death, resignation, incapacity or removal,
4 or other ineligibility to serve of an appointed member,
5 the chairman shall appoint a successor pursuant to the
6 process of original appointment.

7 Each of the 3 appointed members shall be an
8 individual:

9 (i) Who has knowledge and experience in
10 financial matters, financial management, or business
11 organization or operations, including experience in
12 the private sector in management of business or
13 financial enterprise, or in management consulting,
14 public accounting, or other professional activity;
15 and

16 (ii) Who has not at any time during the 2 years
17 preceding the date of appointment held any elected
18 public office.

19 The governing body and chief governing officer of
20 the unit of local government, to the extent possible,
21 shall nominate members whose residency, office, or
22 principal place of professional or business activity is
23 situated within the unit of local government.

24 An appointed member of the commission shall not
25 become a candidate for elected public office while
26 serving as a member of the commission.

27 (4) Immediately after his appointment of the initial 3
28 appointed members of the commission, the chairman shall call
29 the first meeting of the commission and shall cause written
30 notice of the time, date and place of the first meeting to be
31 given to each member of the commission at least 48 hours in
32 advance of the meeting.

33 (5) The commission members shall select one of their
34 number to serve as treasurer of the commission.

1 (Source: P.A. 86-1211; 87-853.)

2 (50 ILCS 320/10) (from Ch. 85, par. 7210)

3 Sec. 10. State aid.

4 (a) This subsection (a) applies through December 31,
5 1992.

6 (1) During the period of time that a unit of local
7 government is covered by this Act, the State shall not be
8 required to distribute to the unit of local government
9 any monies to which the unit of local government might
10 otherwise be entitled except in accordance with the
11 direction of the commission.

12 (2) Any State assistance in the form of a loan or
13 grant from appropriated funds shall be subject to the
14 expenditure control of the commission.

15 (3) The commission may request the Illinois
16 Development Finance Authority to issue bonds, notes, or
17 other evidences of indebtedness, the proceeds of which
18 are to be used to make loans to the unit of local
19 government for purposes of enabling that unit of local
20 government to restructure its current indebtedness and to
21 provide and pay for its essential municipal services.
22 Such request may not precede the adoption of the
23 financial plan required by Section 8 of this Act and
24 shall be in accordance with the provisions of Section
25 7-88-of the Illinois Development Finance Authority Act.

26 (b) This subsection (b) applies on and after January 1,
27 1993. During the period of time that a unit of local
28 government is covered by this Act, the State shall not be
29 required to distribute to the unit of local government any
30 monies to which the unit of local government might otherwise
31 be entitled.

32 (Source: P.A. 86-1211; 87-853.)

1 Section 890-13. The Counties Code is amended by changing
2 Section 5-1050 as follows:

3 (55 ILCS 5/5-1050) (from Ch. 34, par. 5-1050)

4 Sec. 5-1050. Acquisition and improvement of land for
5 industrial or commercial purposes. For the public purposes
6 set forth in the Illinois Development Finance Authority Act,
7 a county board may (1) acquire, singly or jointly with other
8 counties or municipalities, by gift, purchase or otherwise,
9 but not by condemnation, land, or any interest in land,
10 whether located within or without its county limits, and,
11 singly or jointly, to improve or to arrange for the
12 improvement of such land for industrial or commercial
13 purposes and to donate and convey such land, or interest in
14 land, so acquired and so improved to the Illinois Development
15 Finance Authority; and (2) donate county funds to such
16 Authority.

17 (Source: P.A. 86-962.)

18 Section 890-14. The Township Code is amended by changing
19 Section 85-10 as follows:

20 (60 ILCS 1/85-10)

21 Sec. 85-10. Township corporate powers.

22 (a) Every township has the corporate capacity to
23 exercise the powers granted to it, or necessarily implied,
24 and no others. Every township has the powers specified in
25 this Section.

26 (b) A township may sue and be sued.

27 (c) A township may acquire (by purchase, gift, or
28 legacy) and hold property, both real and personal, for the
29 use of its inhabitants and may sell and convey that property.
30 A township may purchase any real estate or personal property
31 for public purposes under contracts providing for payment in

1 installments over a period of time of not more than 20 years
2 in the case of real estate and not more than 10 years in the
3 case of personal property. A township may finance the
4 purchase of any real estate or personal property for public
5 purpose under finance contracts providing for payment in
6 installments over a period of time of not more than 20 years
7 in the case of real estate and not more than 10 years in the
8 case of personal property. A township may construct a
9 township hall under contracts providing for payment over a
10 period of time of not more than 5 years. The interest on the
11 unpaid balance shall not exceed that permitted in the Bond
12 Authorization Act.

13 (d) A township may make all contracts necessary in the
14 exercise of the township's powers.

15 (e) A township may expend or contract for the
16 expenditure of any federal funds made available to the
17 township by law for any purpose for which taxes imposed upon
18 township property or property within the township may be
19 expended.

20 (f) A township may acquire (singly or jointly with a
21 municipality or municipalities) land or any interest in land
22 located within its township limits. The township may acquire
23 the land or interest by gift, purchase, or otherwise, but not
24 by condemnation. A township may (singly or jointly) improve
25 or arrange for the improvement of the land for industrial or
26 commercial purposes and may donate and convey the land or
27 interest in land so acquired and so improved to the Illinois
28 Development Finance Authority.

29 (g) (Blank)

30 (h) It is the policy of this State that all powers
31 granted either expressly or by necessary implication by this
32 Code, any other Illinois statute, or the Illinois
33 Constitution to townships may be exercised by those townships
34 notwithstanding effects on competition. It is the intention

1 of the General Assembly that the "State action exemption" to
2 the application of federal antitrust statutes be fully
3 available to townships to the extent their activities are
4 authorized by law as stated in this Code.

5 (i) A township may receive funds under the federal
6 Housing and Community Development Act of 1974 and may expend
7 or contract for the expenditure of those funds and other
8 township funds for the activities specified in Section 105 of
9 that Act. The powers granted under this subsection (i) are
10 in addition to powers otherwise possessed by a township and
11 shall not be construed as a limitation of those other powers.

12 (j) A township may establish reasonable fees for
13 recreation and instructional programs sponsored by the
14 township.

15 (Source: P.A. 88-62; incorporates 88-356 and 88-360; 88-670,
16 eff. 12-2-94; 89-331, eff. 8-17-95.)

17 Section 890-15. The Illinois Municipal Code is amended
18 by changing Sections 8-12-2, 8-12-3, 8-12-6, 8-12-19,
19 8-12-21, 8-12-22, 11-74.1-1, 11-113.1-1, 11-119-2, 11-129-3,
20 11-139-7, and 11-141-5 as follows:

21 (65 ILCS 5/8-12-2) (from Ch. 24, par. 8-12-2)

22 Sec. 8-12-2. (a) Pursuant to the authority of the General
23 Assembly to provide for the public health, safety and
24 welfare, the General Assembly hereby finds and declares that
25 it is the public policy and a public purpose of the State to
26 offer assistance to a financially distressed city so that it
27 may provide for the health, safety and welfare of its
28 citizens, pay when due principal and interest on its debt
29 obligations, meet financial obligations to its employees,
30 vendors and suppliers, and provide for proper financial
31 accounting procedures, budgeting and taxing practices, as
32 well as strengthen the human and economic development of the

1 city.

2 (b) It is the purpose of this Division to provide a
3 secure financial basis for the continued operation of a
4 financially distressed city. The intention of the General
5 Assembly, in enacting this legislation is to establish sound,
6 efficient and generally accepted accounting, budgeting and
7 taxing procedures and practices within a financially
8 distressed city, to provide powers to a financial advisory
9 authority established for a financially distressed city, and
10 to impose restrictions upon a financially distressed city in
11 order to assist that city in assuring its financial integrity
12 while leaving municipal services policies to the city,
13 consistent with the requirements for satisfying the public
14 policy and purposes herein set forth.

15 (c) It also is the purpose of this Division to authorize
16 a city which has been certified and designated as a
17 financially distressed city under the procedure set forth in
18 Section 8-12-4, and which has by ordinance requested that a
19 financial advisory authority be appointed for the city and
20 that the city receive assistance as provided in this
21 Division, and which has filed certified copies of that
22 ordinance in the manner provided by Section 8-12-4, to enter
23 into such agreements as are necessary to receive assistance
24 as provided in this Division and in applicable provisions of
25 the Illinois Development Finance Authority Act.

26 (Source: P.A. 86-1211.)

27 (65 ILCS 5/8-12-3) (from Ch. 24, par. 8-12-3)

28 Sec. 8-12-3. As used in this Division:

29 (1) "Authority" means the "(Name of Financially
30 Distressed City) Financial Advisory Authority".

31 (2) "Financially distressed city" means any municipality
32 which is a home rule unit and which (i) is certified by the
33 Department of Revenue as being in the highest 5% of all home

1 rule municipalities in terms of the aggregate of the rate per
2 cent of all taxes levied pursuant to statute or ordinance
3 upon all taxable property of the municipality and as being in
4 the lowest 5% of all home rule municipalities in terms of per
5 capita tax yield, and (ii) is designated by joint resolution
6 of the General Assembly as a financially distressed city.

7 (3) "Home rule municipality" means a municipality which
8 is a home rule unit as provided in Section 6 of Article VII
9 of the Illinois Constitution.

10 (4) "Budget" means an annual appropriation ordinance or
11 annual budget as described in Division 2 of Article 8, as
12 from time to time in effect in the financially distressed
13 city.

14 (5) "Chairperson" means the chairperson of the Authority
15 appointed pursuant to Section 8-12-7.

16 (6) "Financial Plan" means the financially distressed
17 city's financial plan as developed pursuant to Section
18 8-12-15, as from time to time in effect.

19 (7) "Fiscal year" means the fiscal year of the
20 financially distressed city.

21 (8) "Obligations" means bonds, notes or other evidence
22 of indebtedness issued by the Illinois Development Finance
23 Authority in connection with the provision of financial aid
24 to a financially distressed city pursuant to this Division
25 and applicable provisions of the Illinois Development Finance
26 Authority Act.

27 (Source: P.A. 86-1211.)

28 (65 ILCS 5/8-12-6) (from Ch. 24, par. 8-12-6)

29 Sec. 8-12-6. Purposes and powers.

30 (a) The purposes of the Authority shall be to provide a
31 secure financial basis for and to furnish assistance to a
32 financially distressed city to which this Division is
33 applicable as provided in Section 8-12-4, and to request the

1 Illinois Development Finance Authority to issue its
2 Obligations on behalf of and thereby provide financial aid to
3 the city in accordance with applicable provisions of the
4 Illinois Development Finance Authority Act, so that the city
5 can provide basic municipal services within its
6 jurisdictional limits, while permitting the distressed city
7 to meet its obligations to its creditors and the holders of
8 its notes and bonds.

9 (b) Except as expressly limited by this Division, the
10 Authority shall have all powers necessary to meet its
11 responsibilities and to carry out its purposes and the
12 purposes of this Division, including, but not limited to, the
13 following powers:

14 (1) To provide for its organization and internal
15 management, and to make rules and regulations governing
16 the use of its property and facilities.

17 (2) To make and execute contracts, leases,
18 subleases and all other instruments or agreements
19 necessary or convenient for the exercise of the powers
20 and functions granted by this Division.

21 (3) To approve all loans, grants, or other
22 financial aid from any State agency.

23 (4) To appoint officers, agents, and employees of
24 the Authority, define their duties and qualifications and
25 fix their compensation and employee benefits.

26 (5) To engage the services of consultants for
27 rendering professional and technical assistance and
28 advice on matters within the Authority's power.

29 (6) To pay the expenses of its operations.

30 (7) To determine, in its discretion but consistent
31 with the requirements of this Division, the terms and
32 conditions of any loans it may make to the financially
33 distressed city.

34 (c) Any loan repayments received by the Authority from

1 the distressed city may be deposited by the Authority into a
2 revolving fund under the control of the Authority. Money in
3 the revolving fund may be used by the Authority to support
4 activities leading to a restructuring of the distressed
5 city's debt and may be pledged by the Authority as security
6 for any new debt incurred by the distressed city with the
7 approval of the Authority.

8 (d) From any funds appropriated to the Authority for the
9 purpose of making a loan to a distressed city, the Authority
10 may expend not more than \$250,000 for the expenses of its
11 operations in the fiscal year in which the appropriation is
12 made.

13 (Source: P.A. 88-664, eff. 9-16-94.)

14 (65 ILCS 5/8-12-19) (from Ch. 24, par. 8-12-19)

15 Sec. 8-12-19. The Authority shall appoint and shall have
16 the authority to remove a financial management officer. The
17 financial management officer shall have the responsibility
18 for advising on the preparation of the Budget and Financial
19 Plan of the financially distressed city and for monitoring
20 expenditures of the city. The financial management officer
21 shall be the authorized signatory for all expenditures made
22 from the proceeds of any State loans provided for the benefit
23 of the city pursuant to this Division or any other law of
24 this State, and for all expenditures made from financial aid
25 provided for the benefit of the city from Obligations issued
26 by the Illinois Development Finance Authority for such
27 purposes in accordance with applicable provisions of the
28 Illinois Development Finance Authority Act. The financial
29 management officer shall be an employee of and shall report
30 to the Authority, may be granted authority by the Authority
31 to hire a specific number of employees to assist in meeting
32 responsibilities, and shall have access to all financial data
33 and records of the city which he or she deems necessary for

1 the proper and efficient exercise of such responsibilities.
2 Neither the Authority or the financial management officer
3 shall have any authority to hire, fire or appoint city
4 employees or to manage the day-to-day operations of the city.
5 (Source: P.A. 86-1211.)

6 (65 ILCS 5/8-12-21) (from Ch. 24, par. 8-12-21)
7 Sec. 8-12-21. The Authority in its sole discretion may
8 intercept any payments that the city from time to time is
9 entitled to receive from any funds then or thereafter held by
10 the State Treasurer to the credit of the city or otherwise in
11 the custody of the State Treasurer to the credit of the city,
12 whether in or outside of the State Treasury, upon the
13 occurrence of any of the following:

14 (1) The financially distressed city's initial
15 Financial Plan and revised Budget required to be
16 submitted to the Authority with respect to the remaining
17 portion of what is the city's current fiscal year at the
18 time this Division first becomes applicable to the city
19 as provided in Section 8-12-4 are not approved by the
20 Authority within 60 days of their submission, and the
21 Authority has theretofore given written warning notice to
22 the corporate authorities of the city, on the 45th day
23 after such initial Financial Plan and revised Budget were
24 submitted, that the same have not yet been approved by
25 the Authority; or

26 (2) Any Financial Plan or Budget for any subsequent
27 fiscal year is not approved by the Authority by the
28 commencement of the fiscal year to which such Financial
29 Plan or Budget relates, and the Authority has theretofore
30 given written warning notice to the corporate authorities
31 of the city, on the 15th day prior to the commencement of
32 that fiscal year, that the Financial Plan or Budget for
33 such fiscal year has not yet been approved by the

1 Authority; or

2 (3) The financially distressed city materially
3 violates the provisions of this Division, and the
4 Authority -- at least 15 days prior to initiating any
5 action to intercept any payments pursuant to this Section
6 -- has given the corporate authorities of the city
7 written notice of the material violation and of the
8 Authority's intention to intercept payments pursuant to
9 this Section upon the expiration of that 15 day notice
10 period unless the city satisfies the Authority within
11 that 15 day period that the material violation cited by
12 the Authority has been corrected; provided that the
13 Authority shall not be required to give any notice to the
14 city or its corporate authorities prior to initiating
15 action to intercept payments pursuant to this Section if
16 such payments are to be intercepted because of the city's
17 failure to pay when due all amounts then due and owing
18 and required to be paid by the city on Obligations issued
19 by the Illinois Development Finance Authority in
20 connection with the provision of financial aid to the
21 city pursuant to this Division and applicable provisions
22 of the Illinois Development Finance Authority Act.

23 The intercept shall be made pursuant to written notice
24 given by the Authority to the State Comptroller and State
25 Treasurer, setting forth the amount of the intercept, which
26 may be an aggregate amount not exceeding the sum of the full
27 amount of any outstanding State loans provided for the
28 benefit of the city pursuant to this Division or any other
29 law of this State, plus the full amount of all outstanding
30 Obligations issued by the Illinois Development Finance
31 Authority on the financially distressed city's behalf in
32 accordance with applicable provisions of the Illinois
33 Development Finance Authority Act. The State Comptroller and
34 State Treasurer shall pay to the Authority, from such funds

1 as from time to time are legally available therefor, the
2 aggregate amount of the intercept, unless the Authority
3 sooner notifies the State Comptroller and State Treasurer in
4 writing that no further payments that the city is entitled to
5 receive shall be intercepted under the provisions of this
6 Section.

7 (Source: P.A. 86-1211.)

8 (65 ILCS 5/8-12-22) (from Ch. 24, par. 8-12-22)

9 Sec. 8-12-22. (a) After the Authority has certified to
10 the Governor that the financially distressed city has
11 completed 10 successive years of balanced budgets:

12 (1) The powers and responsibilities granted or
13 imposed upon the Authority and the financially distressed
14 city under Section 8-12-13 and Sections 8-12-15 through
15 8-12-21 shall not be exercised, except as otherwise
16 provided under subsection (b) of this Section.

17 (2) The provisions of Section 8-12-14 shall
18 continue in full force and effect. The financially
19 distressed city shall file with the Authority and with
20 the Illinois Development Finance Authority, not later
21 than 15 days prior to the commencement of the first
22 fiscal year with respect to which the powers and
23 responsibilities granted or imposed under Section 8-12-13
24 and Sections 8-12-15 through 8-12-21 are not to be
25 exercised, and not later than 15 days prior to the
26 commencement of each fiscal year thereafter, a balanced
27 Budget as adopted by the financially distressed city for
28 such fiscal year. In addition, for each fiscal year with
29 respect to which the powers and responsibilities granted
30 or imposed under Section 8-12-13 and Sections 8-12-15
31 through 8-12-21 are not to be exercised, the financially
32 distressed city shall file with the Authority and with
33 the Illinois Development Finance Authority a certified

1 copy of the same audit report and supplemental report
2 which are required to be made and filed for such fiscal
3 year by the city under the Illinois Municipal Auditing
4 Law, the filing with the Authority and the Illinois
5 Development Finance Authority to be made within the time
6 provided for the filing of such audit report and
7 supplemental report with the State Comptroller under
8 Section 8-8-4.

9 (b) The Authority and the Illinois Development Finance
10 Authority shall review each Budget, audit report and
11 supplemental report filed with them as provided in paragraph
12 (2) of subsection (a). In the event the financially
13 distressed city fails to file any Budget or certified copy of
14 an audit report or supplemental report as provided in
15 paragraph (2) of subsection (a), or in the event the Illinois
16 Development Finance Authority, after consultation with the
17 Authority, determines that the Budget adopted by the
18 financially distressed city and filed as provided in
19 paragraph (2) of subsection (a) is not balanced as required
20 under Section 8-12-14, the Illinois Development Finance
21 Authority shall certify such failure to file, or failure to
22 adopt a Budget which is balanced as required, to the
23 Governor; and concurrent with that certification, the
24 Authority established under Section 8-12-5 and the
25 financially distressed city shall resume the exercise and
26 performance of their respective powers and responsibilities
27 pursuant to each Section of this Division.

28 (c) When the Illinois Development Finance Authority
29 determines that all of its Obligations have been fully paid
30 and discharged or otherwise provided for, it shall certify
31 that fact to the Governor; and the Authority established
32 under Section 8-12-5 shall be abolished 30 days after the
33 date of that certification. Upon abolition of the Authority
34 as provided in this subsection, this Division shall have no

1 further force or effect upon the financially distressed city.
2 (Source: P.A. 86-1211.)

3 (65 ILCS 5/11-74.1-1) (from Ch. 24, par. 11-74.1-1)
4 Sec. 11-74.1-1. For the public purposes set forth in the
5 Illinois Development Finance Authority Act, the corporate
6 authorities of each municipality may (1) acquire, singly or
7 jointly with other municipalities or counties, by gift,
8 purchase or otherwise, but not by condemnation, except in
9 furtherance of Sections 7-40 through 7-48 of the Illinois
10 Development Finance Authority Act, land, or any interest in
11 land, whether located within or without its corporate limits,
12 and, singly or jointly, may improve or arrange for the
13 improvement of such land for industrial or commercial
14 purposes and may donate and convey such land, or interest in
15 land, so acquired and so improved, to the Illinois
16 Development Finance Authority; and (2) donate corporate funds
17 to such Authority.

18 (Source: P.A. 83-669.)

19 (65 ILCS 5/11-113.1-1) (from Ch. 24, par. 11-113.1-1)
20 Sec. 11-113.1-1. A non-home rule municipality located at
21 least partly in a county which is preparing a stormwater
22 management plan in accordance with Section 5-1062 of the
23 Counties Code may levy a tax upon all taxable property
24 within its corporate limits, at a rate not to exceed 0.06% if
25 the municipality owns and operates a wastewater treatment
26 plant, and at a rate not to exceed 0.03% if it does not, of
27 the value, as equalized or assessed by the Department of
28 Revenue, of all taxable property within the municipality, for
29 the purposes of implementing the stormwater management plan,
30 improving storm sewer and combined sewer facilities,
31 protecting sanitary sewage treatment works from the 100-year
32 frequency flood, and acquiring lands, buildings and

1 properties in the 100-year floodplain, paying the principal
2 of and interest on any bonds issued pursuant to this Section
3 for any of the foregoing purposes, and paying the principal
4 of, premium, if any, and interest on, and any fees relating
5 to, any loan made to such municipality by the Illinois
6 Development Finance Authority, pursuant to ~~subsection-(t)-of~~
7 ~~Section-7-of~~ the Illinois Development Finance Authority Act
8 for any of the foregoing purposes, or any bond, note or other
9 evidence of indebtedness of such municipality issued in
10 connection with any such loan. Such tax shall be in addition
11 to all other taxes authorized by law to be levied and
12 collected in such municipality and shall be in addition to
13 the maximum tax rate authorized by law for general municipal
14 purposes. The limitations on tax rate provided in this
15 Section may be increased or decreased by referendum in
16 accordance with the provisions of Sections 18-120, 18-125,
17 and 18-130 of the Property Tax Code.

18 However, unless the municipality is located at least
19 partly in a township declared after July 1, 1986 by
20 presidential declaration to be a disaster area as a result of
21 flooding, the tax authorized by this Section shall not be
22 levied until the question of its adoption, either for a
23 specified period or indefinitely, has been submitted to the
24 electors thereof and approved by a majority of those voting
25 on the question. This question may be submitted at any
26 election held in the municipality after the adoption of a
27 resolution by the governing body of the municipality
28 providing for the submission of the question to the electors
29 of the municipality. The governing body of the municipality
30 shall certify the resolution and proposition to the proper
31 election officials, who shall submit the proposition at an
32 election in accordance with the general election law. If a
33 majority of the votes cast on the question is in favor of the
34 levy of such tax, it may thereafter be levied in such

1 municipality for the specified period or indefinitely, as
2 provided in the proposition. The question shall be put in
3 substantially the following form:

4 -----

5 Shall an annual tax be levied
6 for stormwater management purposes YES
7 (for a period of not more than
8 years) at a rate not exceeding -----
9% of the equalized assessed
10 value of the taxable property of NO
11 (municipality)?

12 -----

13 Any municipality in a county which has established a
14 stormwater management planning committee in accordance with
15 Section 5-1062 of the Counties Code is hereby authorized to
16 borrow money and to issue its bonds for the purposes of
17 implementing the stormwater management plan, improving storm
18 sewer and combined sewer facilities, protecting sanitary
19 sewage treatment works from the 100-year frequency flood, and
20 acquiring lands, buildings and properties in the 100-year
21 floodplain.

22 Any municipality in a county which has established a
23 stormwater management planning committee in accordance with
24 Section 5-1062 of the Counties Code is hereby further
25 authorized to borrow money from the Illinois Development
26 Finance Authority for the purpose of financing the protection
27 of storm sewer outfalls, the construction of adequate storm
28 sewer outfalls and the provision for flood protection of
29 sanitary sewage treatment plants, pursuant to subsection-(t)
30 of Section-7-of the Illinois Development Finance Authority
31 Act, and is hereby authorized to enter into loan agreements
32 and other documents with the Illinois Development Finance
33 Authority and to issue its bonds, notes or other evidences of
34 indebtedness to evidence its obligation to repay such loan

1 to the Illinois Development Finance Authority. Without the
2 submission of the question to the electors, notwithstanding
3 any other provision of law to the contrary, such municipality
4 is hereby authorized to execute such loan agreements and
5 other documents and to issue such bonds, notes or other
6 evidences of indebtedness, which loan agreements, documents,
7 bonds, notes or other evidences of indebtedness may bear such
8 date or dates, may bear interest at such rate or rates,
9 payable at such time or times, may mature at any time or
10 times not later than 40 years from the date of issuance, may
11 be payable at such place or places, may be payable from any
12 funds of such municipality on hand and lawfully available
13 therefor, including without limitation the taxes levied
14 pursuant to this Section or from any other taxes or revenues
15 of such municipality pledged to their payment, may be
16 negotiated at such price or prices, may be executed in such
17 manner, may be subject to redemption prior to maturity, may
18 be in such form, may be secured, and may be subject to such
19 other terms and conditions, all as may be provided in a
20 resolution or ordinance authorizing the execution of any such
21 loan agreement or other document or the issuance of such
22 bonds, notes or other evidences of indebtedness.

23 (Source: P.A. 88-670, eff. 12-2-94.)

24 (65 ILCS 5/11-119-2) (from Ch. 24, par. 11-119-2)

25 Sec. 11-119-2. The corporate authorities of any city or
26 village availing itself of the provisions of this Division
27 119 shall adopt an ordinance describing in a general way the
28 improvements or extensions to be made. It shall not be
29 necessary that the ordinance refer to plans and
30 specifications nor that there be on file for public
31 inspection prior to the adoption of such ordinance detailed
32 plans and specifications of the project. The ordinance shall
33 set out the estimated cost of the improvements or extensions

1 and shall fix the amount of bonds proposed to be issued, the
2 maturity, interest rate, and all details in respect thereof.
3 Such ordinance, at the option of the municipality, may
4 contain provisions which shall be part of the contract with
5 the holders of the bonds as to: (1) The registration of the
6 bonds as to principal only, or as to both principal and
7 interest, and the interchangeability and exchangeability of
8 the bonds. (2) The redemption of the bonds prior to maturity
9 and the price, either at par or at a premium, at which they
10 are redeemable. (3) The setting aside of reserves or sinking
11 funds, and the regulation or disposition thereof. (4)
12 Limitations upon the issuance of additional bonds payable
13 from the revenues of the system, or upon the rights of the
14 holders of these additional bonds. (5) Other agreements with
15 the holders of the bonds, or covenants or restrictions
16 necessary or desirable to safeguard the interests of these
17 holders. After the ordinance has been adopted and approved it
18 shall be published once in a newspaper published and having a
19 general circulation in the municipality, or if there is no
20 such newspaper, copies of the ordinance shall be posted in at
21 least 4 public places within the municipality. The ordinance
22 shall be in effect after the expiration of 10 days from the
23 date of this publication.

24 Bonds issued under this Division 119 shall be payable
25 solely from the revenue derived from the electric light plant
26 and system, or the gas plant and system, as the case may be,
27 and these bonds shall not in any event constitute an
28 indebtedness of the municipality within the meaning of any
29 constitutional or statutory limitation; provided, that bonds
30 issued under this Division 119 may also be payable from funds
31 pledged by the municipality issuing such bonds pursuant to
32 ~~Section 7-59 of~~ the Illinois Development Finance Authority
33 Act, and, notwithstanding such pledge of such funds, shall
34 not in any event constitute an indebtedness of the

1 municipality within the meaning of any constitutional or
2 statutory limitation. It shall be plainly stated on the face
3 of each bond that it has been issued under the provisions of
4 this Division 119 and that it does not constitute an
5 indebtedness of the municipality within any constitutional or
6 statutory limitation.

7 (Source: P.A. 85-659.)

8 (65 ILCS 5/11-129-3) (from Ch. 24, par. 11-129-3)

9 Sec. 11-129-3. The corporate authorities of any
10 municipality availing itself of the provisions of this
11 Division 129 shall adopt an ordinance describing in a general
12 way the contemplated project. If it is intended to purchase
13 an existing waterworks or water supply system, the ordinance
14 shall describe in a general way the system to be purchased.
15 If it is intended to build a waterworks or water supply
16 system or to improve or extend a waterworks or water supply
17 system owned and operated by the municipality, the ordinance
18 shall describe in a general way the waterworks or water
19 supply system to be constructed or the improvements or
20 extensions to be made. It shall not be necessary that the
21 ordinance refer to plans and specifications nor that there be
22 on file for public inspection prior to the adoption of such
23 ordinance detailed plans and specifications of the project.
24 The ordinance shall set out the estimated cost of the
25 project, determine its period of usefulness, and fix the
26 amount and maturities of water revenue bonds proposed to be
27 issued, the interest rate, and all details in respect
28 thereof. The ordinance may contain such covenants and
29 restrictions upon the issuance of additional revenue bonds
30 thereafter as may be deemed necessary or advisable for the
31 assurance of payment of the bonds thereby authorized and as
32 may be thereafter issued.

33 Revenue bonds issued under this Division 129 shall be

1 payable solely from the revenue derived from the operation of
2 the waterworks or water supply system on account of which the
3 bonds are issued; provided, that bonds issued under this
4 Division 129 may also be payable from funds pledged by the
5 municipality issuing such bonds pursuant to ~~Section--7.59--of~~
6 the Illinois Development Finance Authority Act.
7 Notwithstanding any such pledge or any other matter, these
8 bonds shall not in any event constitute an indebtedness of
9 the municipality within the meaning of any constitutional or
10 statutory limitation and it shall be so stated on the face of
11 each bond.

12 (Source: P.A. 85-659.)

13 (65 ILCS 5/11-139-7) (from Ch. 24, par. 11-139-7)

14 Sec. 11-139-7. Revenue bonds issued under this Division
15 139 shall be payable solely from the revenue derived from the
16 operation of the combined waterworks and sewerage system on
17 account of which the bonds are issued; provided, that bonds
18 issued under this Division 139 may also be payable from funds
19 pledged by the municipality issuing such bonds pursuant to
20 ~~Section--7.59--of~~ the Illinois Development Finance Authority
21 Act. Notwithstanding any such pledge or any other matter,
22 these bonds shall not in any event constitute an indebtedness
23 of the municipality within the meaning of any constitutional
24 or statutory limitation and it shall be so stated on the face
25 of each bond.

26 (Source: P.A. 85-659.)

27 (65 ILCS 5/11-141-5) (from Ch. 24, par. 11-141-5)

28 Sec. 11-141-5. All bonds issued under this Division 141
29 are payable solely from the revenue derived from the
30 operation of the sewerage system; provided, that bonds issued
31 under this Division 141 may also be payable from funds
32 pledged by the municipality issuing such bonds pursuant to

1 Section 7-59 of the Illinois Development Finance Authority
2 Act. Notwithstanding any such pledge or any other matter,
3 these bonds shall not, in any event, constitute an
4 indebtedness of the municipality within the meaning of any
5 constitutional or statutory limitation. It shall be plainly
6 stated on the face of each bond that the bond has been issued
7 under this Division 141 and that it does not constitute an
8 indebtedness of the municipality within any constitutional or
9 statutory limitation.

10 (Source: P.A. 85-659.)

11 Section 890-16. The Joliet Arsenal Development Authority
12 Act is amended by changing Section 40 as follows:

13 (70 ILCS 508/40)

14 Sec. 40. Acquisition.

15 (a) The Authority may, but need not, acquire title to
16 any project with respect to which it exercises its authority.

17 (b) The Authority shall have power to acquire by
18 purchase, lease, gift, or otherwise any property or rights
19 therein from any person, the State of Illinois, any municipal
20 corporation, any local unit of government, the government of
21 the United States, any agency or instrumentality of the
22 United States, any body politic, or any county useful for its
23 purposes, whether improved for the purposes of any
24 prospective project or unimproved. The Authority may also
25 accept any donation of funds for its purposes from any of
26 those sources.

27 (c) The Authority shall have power to develop,
28 construct, and improve, either under its own direction or
29 through collaboration with any approved applicant, or to
30 acquire through purchase or otherwise any project, using for
31 that purpose the proceeds derived from its sale of revenue
32 bonds, notes, or other evidences of indebtedness or

1 governmental loans or grants, and to hold title in the name
2 of the Authority to those projects.

3 (d) The Authority shall have the power to enter into
4 intergovernmental agreements with the State of Illinois, the
5 county of Will, the Illinois Development Finance Authority,
6 ~~the Illinois Education Facilities Authority,~~ the Metropolitan
7 Pier and Exposition Authority, the United States government,
8 any agency or instrumentality of the United States, any unit
9 of local government located within the territory of the
10 Authority, or any other unit of government to the extent
11 allowed by Article VII, Section 10 of the Illinois
12 Constitution and the Intergovernmental Cooperation Act.

13 (e) The Authority shall have the power to share
14 employees with other units of government, including agencies
15 of the United States, agencies of the State of Illinois, and
16 agencies or personnel of any unit of local government.

17 (f) Subject to subsection (i) of Section 35 of this Act,
18 the Authority shall have the power to exercise powers and
19 issue revenue bonds as if it were a municipality so
20 authorized in Divisions 12.1, 74, 74.1, 74.3, and 74.5 of
21 Article 11 of the Illinois Municipal Code.

22 (Source: P.A. 89-333, eff. 8-17-95.)

23 Section 890-17. The Quad Cities Regional Economic
24 Development Authority Act, approved September 22, 1987, is
25 amended by changing Section 14 as follows:

26 (70 ILCS 510/14) (from Ch. 85, par. 6214)

27 Sec. 14. Additional powers and duties. (a) The
28 Authority may, but need not, acquire title to any project
29 with respect to which it exercises its authority.

30 (b) The Authority shall have the power to enter into
31 intergovernmental agreements with the State of Illinois, the
32 counties of Rock Island, Henry or Mercer, the State of Iowa

1 or any authority established by the State of Iowa, the
2 Illinois Development Finance Authority, the Illinois Housing
3 Development Authority, the--Illinois--Education--Facilities
4 Authority, the United States government and any agency or
5 instrumentality of the United States, any unit of local
6 government located within the territory of the Authority or
7 any other unit of government to the extent allowed by Article
8 VII, Section 10 of the Illinois Constitution and the
9 Intergovernmental Cooperation Act.

10 (c) The Authority shall have the power to share
11 employees with other units of government, including agencies
12 of the United States, agencies of the State of Illinois and
13 agencies or personnel of any unit of local government.

14 (d) The Authority shall have the power to exercise
15 powers and issue bonds as if it were a municipality so
16 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
17 Article 11 of the Illinois Municipal Code.

18 (Source: P.A. 85-713.)

19 Section 890-18. The Quad Cities Regional Economic
20 Development Authority Act, certified December 30, 1987, is
21 amended by changing Section 13 as follows:

22 (70 ILCS 515/13) (from Ch. 85, par. 6513)

23 Sec. 13. Additional powers and duties. (a) The
24 Authority may, but need not, acquire title to any project
25 with respect to which it exercises its authority.

26 (b) The Authority shall have the power to enter into
27 intergovernmental agreements with the State of Illinois, the
28 counties of Rock Island, Henry or Mercer, the State of Iowa
29 or any authority established by the State of Iowa, the
30 Illinois Development Finance Authority, the Illinois Housing
31 Development Authority, the--Illinois--Education--Facilities
32 Authority, the United States government and any agency or

1 instrumentality of the United States, any unit of local
2 government located within the territory of the Authority or
3 any other unit of government to the extent allowed by Article
4 VII, Section 10 of the Illinois Constitution and the
5 Intergovernmental Cooperation Act.

6 (c) The Authority shall have the power to share
7 employees with other units of government, including agencies
8 of the United States, agencies of the State of Illinois and
9 agencies or personnel of any unit of local government.

10 (d) The Authority shall have the power to exercise
11 powers and issue bonds as if it were a municipality so
12 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
13 Article 11 of the Illinois Municipal Code.

14 (Source: P.A. 85-988.)

15 Section 890-19. The Southwestern Illinois Development
16 Authority Act is amended by changing Section 8 as follows:

17 (70 ILCS 520/8) (from Ch. 85, par. 6158)

18 Sec. 8. (a) The Authority may, but need not, acquire
19 title to any project with respect to which it exercises its
20 authority.

21 (b) The Authority shall have power to acquire by
22 purchase, lease, gift or otherwise any property or rights
23 therein from any person or persons, the State of Illinois,
24 any municipal corporation, any local unit of government, the
25 government of the United States and any agency or
26 instrumentality of the United States, any body politic or any
27 county useful for its purposes, whether improved for the
28 purposes of any prospective project or unimproved. The
29 Authority may also accept any donation of funds for its
30 purposes from any such source. The Authority may acquire any
31 real property, or rights therein, upon condemnation. The
32 acquisition by eminent domain of such real property or any

1 interest therein by the Authority shall be in the manner
2 provided by the "Code of Civil Procedure", as now or
3 hereafter amended, including Section 7-103 thereof.

4 The Authority shall not exercise any quick-take eminent
5 domain powers granted by State law within the corporate
6 limits of a municipality unless the governing authority of
7 the municipality authorizes the Authority to do so. The
8 Authority shall not exercise any quick-take eminent domain
9 powers granted by State law within the unincorporated areas
10 of a county unless the county board authorizes the Authority
11 to do so.

12 (c) The Authority shall have power to develop, construct
13 and improve, either under its own direction or through
14 collaboration with any approved applicant, or to acquire
15 through purchase or otherwise any project, using for such
16 purpose the proceeds derived from its sale of revenue bonds,
17 notes or other evidences of indebtedness or governmental
18 loans or grants and to hold title in the name of the
19 Authority to such projects.

20 (d) The Authority shall have the power to enter into
21 intergovernmental agreements with the State of Illinois, the
22 counties of Madison or St. Clair, the Southwest Regional Port
23 District, the Illinois Development Finance Authority, the
24 Illinois Housing Development Authority, ~~the--Illinois~~
25 ~~Education-Facilities-Authority,~~ the Metropolitan Pier and
26 Exposition Authority, the United States government and any
27 agency or instrumentality of the United States, the city of
28 East St. Louis, any unit of local government located within
29 the territory of the Authority or any other unit of
30 government to the extent allowed by Article VII, Section 10
31 of the Illinois Constitution and the Intergovernmental
32 Cooperation Act.

33 (e) The Authority shall have the power to share
34 employees with other units of government, including agencies

1 of the United States, agencies of the State of Illinois and
2 agencies or personnel of any unit of local government.

3 (f) The Authority shall have the power to exercise
4 powers and issue bonds as if it were a municipality so
5 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
6 Article 11 of the Illinois Municipal Code.

7 (Source: P.A. 89-343, eff. 8-17-95.)

8 Section 890-20. The Tri-County River Valley Development
9 Authority Act Law is amended by changing Section 2008 as
10 follows:

11 (70 ILCS 525/2008) (from Ch. 85, par. 7508)
12 Sec. 2008. Acquisition.

13 (a) The Authority may, but need not, acquire title to any
14 project with respect to which it exercises its authority.

15 (b) The Authority shall have power to acquire by
16 purchase, lease, gift or otherwise any property or rights
17 therein from any person or persons, the State of Illinois,
18 any municipal corporation, any local unit of government, the
19 government of the United States and any agency or
20 instrumentality of the United States, any body politic or any
21 county useful for its purposes, whether improved for the
22 purposes of any prospective project or unimproved. The
23 Authority may also accept any donation of funds for its
24 purposes from any such source.

25 (c) The Authority shall have power to develop, construct
26 and improve, either under its own direction or through
27 collaboration with any approved applicant, or to acquire
28 through purchase or otherwise any project, using for such
29 purpose the proceeds derived from its sale of revenue bonds,
30 notes or other evidences of indebtedness or governmental
31 loans or grants and to hold title in the name of the
32 Authority to such projects.

1 (d) The Authority shall have the power to enter into
2 intergovernmental agreements with the State of Illinois, the
3 counties of Peoria, Tazewell or Woodford, the Illinois
4 Development Finance Authority, the Illinois Housing
5 Development Authority, the--Illinois--Education--Facilities
6 Authority, the Metropolitan Pier and Exposition Authority,
7 the United States government and any agency or
8 instrumentality of the United States, any unit of local
9 government located within the territory of the Authority or
10 any other unit of government to the extent allowed by Article
11 VII, Section 10 of the Illinois Constitution and the
12 Intergovernmental Cooperation Act.

13 (e) The Authority shall have the power to share
14 employees with other units of government, including agencies
15 of the United States, agencies of the State of Illinois and
16 agencies or personnel of any unit of local government.

17 (f) The Authority shall have the power to exercise
18 powers and issue bonds as if it were a municipality so
19 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
20 Article 11 of the Illinois Municipal Code.

21 (Source: P.A. 86-1489.)

22 Section 890-21. The Upper Illinois River Valley
23 Development Authority Act is amended by changing Section 8 as
24 follows:

25 (70 ILCS 530/8) (from Ch. 85, par. 7158)

26 Sec. 8. Acquisition.

27 (a) The Authority may, but need not, acquire title to
28 any project with respect to which it exercises its authority.

29 (b) The Authority shall have power to acquire by
30 purchase, lease, gift or otherwise any property or rights
31 therein from any person or persons, the State of Illinois,
32 any municipal corporation, any local unit of government, the

1 government of the United States and any agency or
2 instrumentality of the United States, any body politic or any
3 county useful for its purposes, whether improved for the
4 purposes of any prospective project or unimproved. The
5 Authority may also accept any donation of funds for its
6 purposes from any such source.

7 (c) The Authority shall have power to develop, construct
8 and improve, either under its own direction or through
9 collaboration with any approved applicant, or to acquire
10 through purchase or otherwise any project, using for such
11 purpose the proceeds derived from its sale of revenue bonds,
12 notes or other evidences of indebtedness or governmental
13 loans or grants and to hold title in the name of the
14 Authority to such projects.

15 (d) The Authority shall have the power to enter into
16 intergovernmental agreements with the State of Illinois, the
17 counties of Grundy, LaSalle, Bureau, Putnam or Marshall, the
18 Illinois Development Finance Authority, the Illinois Housing
19 Development Authority, the--Illinois--Education--Facilities
20 Authority, the Metropolitan Pier and Exposition Authority,
21 the United States government and any agency or
22 instrumentality of the United States, any unit of local
23 government located within the territory of the Authority or
24 any other unit of government to the extent allowed by Article
25 VII, Section 10 of the Illinois Constitution and the
26 Intergovernmental Cooperation Act.

27 (e) The Authority shall have the power to share
28 employees with other units of government, including agencies
29 of the United States, agencies of the State of Illinois and
30 agencies or personnel of any unit of local government.

31 (f) The Authority shall have the power to exercise
32 powers and issue bonds as if it were a municipality so
33 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
34 Article 11 of the Illinois Municipal Code.

1 (Source: P.A. 86-1024; 87-895.)

2 Section 890-22. The Will-Kankakee Regional Development
3 Authority Law is amended by changing Section 8 as follows:

4 (70 ILCS 535/8) (from Ch. 85, par. 7458)

5 Sec. 8. Acquisition.

6 (a) The Authority may, but need not, acquire title to
7 any project with respect to which it exercises its authority.

8 (b) The Authority shall have power to acquire by
9 purchase, lease, gift or otherwise any property or rights
10 therein from any person or persons, the State of Illinois,
11 any municipal corporation, any local unit of government, the
12 government of the United States and any agency or
13 instrumentality of the United States, any body politic or any
14 county useful for its purposes, whether improved for the
15 purposes of any prospective project or unimproved. The
16 Authority may also accept any donation of funds for its
17 purposes from any such source.

18 (c) The Authority shall have power to develop, construct
19 and improve, either under its own direction or through
20 collaboration with any approved applicant, or to acquire
21 through purchase or otherwise any project, using for such
22 purpose the proceeds derived from its sale of revenue bonds,
23 notes or other evidences of indebtedness or governmental
24 loans or grants and to hold title in the name of the
25 Authority to such projects.

26 (d) The Authority shall have the power to enter into
27 intergovernmental agreements with the State of Illinois, the
28 counties of Will and Kankakee, the Illinois Development
29 Finance Authority, ~~the---Illinois---Education--Facilities~~
30 ~~Autherity~~, the Metropolitan Pier and Exposition Authority,
31 the United States government and any agency or
32 instrumentality of the United States, any unit of local

1 government located within the territory of the Authority or
2 any other unit of government to the extent allowed by Article
3 VII, Section 10 of the Illinois Constitution and the
4 Intergovernmental Cooperation Act.

5 (e) The Authority shall have the power to share
6 employees with other units of government, including agencies
7 of the United States, agencies of the State of Illinois and
8 agencies or personnel of any unit of local government.

9 (f) The Authority shall have the power to exercise
10 powers and issue bonds as if it were a municipality so
11 authorized in Divisions 12.1, 74, 74.1, 74.3 and 74.5 of
12 Article 11 of the Illinois Municipal Code.

13 (Source: P.A. 86-1481.)

14 Section 890-23. The Sanitary District Act of 1907 is
15 amended by changing Section 17.1 as follows:

16 (70 ILCS 2205/17.1) (from Ch. 42, par. 263.1)

17 Sec. 17.1. The board of trustees of a sanitary district
18 that owns and operates a wastewater treatment plant in a
19 county which has established a stormwater management planning
20 committee in accordance with Section 5-1062 of the Counties
21 Code may levy a tax upon all taxable property within its
22 district at a rate not to exceed 0.03% of the value of such
23 property, as equalized or assessed by the Department of
24 Revenue, for the purposes of protecting pumping stations,
25 wastewater treatment plants and combined sewer outfalls from
26 the 100-year flood, paying the principal of and interest on
27 any bonds issued pursuant to this Section for any of the
28 foregoing purposes, and paying the principal of, premium, if
29 any, and interest on, and any fees relating to, any loan made
30 to such sanitary district by the Illinois Development Finance
31 Authority, pursuant to ~~subsection--(t)--of--Section--7--of~~ the
32 Illinois Development Finance Authority Act, for any of the

1 foregoing purposes, or any bond, note or other evidence of
2 indebtedness of such municipality issued in connection with
3 any such loan. The 0.03% limitation provided in this Section
4 may be increased or decreased by referendum in accordance
5 with the provisions of Sections 18-120, 18-125, and 18-130 of
6 the Property Tax Code.

7 The tax authorized by this Section may be levied without
8 referendum by any sanitary district that is located at least
9 partly in a township declared after July 1, 1986 by
10 presidential declaration to be a disaster area as a result of
11 flooding. However, the tax authorized by this Section shall
12 not be levied by any sanitary district not so located unless
13 the question of its adoption, either for a specified period
14 or indefinitely, is submitted to the electors thereof and
15 approved by a majority of those voting on the question. This
16 question may be submitted at any election held in the
17 sanitary district after the adoption of a resolution by the
18 board of trustees of the sanitary district providing for the
19 submission of the question to the electors of the sanitary
20 district. The board of trustees shall certify the resolution
21 and proposition to the proper election officials, who shall
22 submit the proposition at an election in accordance with the
23 general election law. If a majority of the votes cast on the
24 question is in favor of the levy of such tax, it may
25 thereafter be levied in such sanitary district for the
26 specified period or indefinitely, as provided in the
27 proposition. The question shall be put in substantially the
28 following form:

29 -----
30 Shall an annual tax be levied
31 for stormwater management purposes YES
32 (for a period of not more than
33 years) at a rate not exceeding -----
34 0.03% of the equalized assessed

1 value of the taxable property of NO
2 the Sanitary District?

3 -----

4 Any sanitary district in a county that has established a
5 stormwater management planning committee in accordance with
6 Section 5-1062 of the Counties Code is hereby authorized to
7 borrow money and to issue its bonds for the purposes of
8 protecting pumping stations, wastewater treatment plants and
9 combined sewer outfalls from the 100-year flood.

10 Any sanitary district in a county that has established a
11 stormwater management planning committee in accordance with
12 Section 5-1062 of the Counties Code is hereby further
13 authorized to borrow money from the Illinois Development
14 Finance Authority for the purpose of financing the provision
15 of flood protection for sanitary sewage treatment plants,
16 pursuant to subsection--(t)--of--Section--7--of the Illinois
17 Development Finance Authority Act, and is hereby authorized
18 to enter into loan agreements and other documents with the
19 Illinois Development Finance Authority and to issue its
20 bonds, notes or other evidences of indebtedness to evidence
21 its obligation to repay such loan to the Illinois Development
22 Finance Authority. Without the submission of the question to
23 the electors, notwithstanding any other provision of law to
24 the contrary, such sanitary district is hereby authorized to
25 execute such loan agreements and other documents and to issue
26 such bonds, notes or other evidences of indebtedness, which
27 loan agreements, documents, bonds, notes or other evidences
28 of indebtedness may bear such date or dates, may bear
29 interest at such rate or rates, payable at such time or
30 times, may mature at any time or times not later than 40
31 years from the date of issuance, may be payable at such place
32 or places, may be payable from any funds of such sanitary
33 district on hand and lawfully available therefor, including
34 without limitation the taxes levied pursuant to this Section

1 or from any other taxes or revenues of such sanitary district
2 pledged to their payment, may be negotiated at such price or
3 prices, may be executed in such manner, may be subject to
4 redemption prior to maturity, may be in such form, may be
5 secured, and may be subject to such other terms and
6 conditions, all as may be provided in a resolution or
7 ordinance authorizing the execution of any such loan
8 agreement or other document or the issuance of such bonds,
9 notes or other evidences of indebtedness.

10 (Source: P.A. 88-670, eff. 12-2-94.)

11 Section 890-24. The Family Practice Residency Act is
12 amended by changing Section 10 as follows:

13 (110 ILCS 935/10) (from Ch. 144, par. 1460)

14 Sec. 10. Scholarship recipients who fail to fulfill the
15 obligation described in subsection (d) of Section 3.07 of
16 this Act shall pay to the Department a sum equal to 3 times
17 the amount of the annual scholarship grant for each year the
18 recipient fails to fulfill such obligation. A scholarship
19 recipient who fails to fulfill the obligation described in
20 subsection (d) of Section 3.07 shall have 30 days from the
21 date on which that failure begins in which to enter into a
22 contract with the Department that sets forth the manner in
23 which that sum is required to be paid. If the contract is
24 not entered into within that 30 day period or if the contract
25 is entered into but the required payments are not made in the
26 amounts and at the times provided in the contract, the
27 scholarship recipient also shall be required to pay to the
28 Department interest at the rate of 9% per annum on the amount
29 of that sum remaining due and unpaid. The amounts paid to the
30 Department under this Section shall be deposited into the
31 Community Health Center Care Fund and shall be used by the
32 Department to improve access to primary health care services

1 as authorized by subsection (a) of Section 2310-200 of the
2 Department of Public Health Powers and Duties Law (20 ILCS
3 2310/2310-200).

4 The Department may transfer to the Illinois Development
5 Finance Authority, into an account outside the State
6 treasury, moneys in the Community Health Center Care Fund as
7 needed, but not to exceed an amount established, by rule, by
8 the Department to establish a reserve or credit enhancement
9 escrow account to support a financing program or a loan or
10 equipment leasing program to provide moneys to support the
11 purposes of subsection (a) of Section 2310-200 of the
12 Department of Public Health Powers and Duties Law (20 ILCS
13 2310/2310-200). The disposition of moneys at the conclusion
14 of any financing program under this Section shall be
15 determined by an interagency agreement.

16 (Source: P.A. 90-405, eff. 1-1-98; 91-239, eff. 1-1-00.)

17 Section 890-25. The Illinois Public Aid Code is amended
18 by changing Sections 11-3 and 11-3.3 as follows:

19 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

20 Sec. 11-3. Assignment and attachment of aid prohibited.
21 Except as provided below in this Section and in Section
22 11-3.3, all financial aid given under Articles III, IV, V,
23 and VI and money payments for child care services provided by
24 a child care provider under Articles IX and IXA shall not be
25 subject to assignment, sale, attachment, garnishment, or
26 otherwise. Provided, however, that a medical vendor may use
27 his right to receive vendor payments as collateral for loans
28 from financial institutions so long as such arrangements do
29 not constitute any activity prohibited under Section
30 1902(a)(32) of the Social Security Act and regulations
31 promulgated thereunder, or any other applicable laws or
32 regulations. Provided further, however, that a medical or

1 other vendor or a service provider may assign, reassign,
2 sell, pledge or grant a security interest in any such
3 financial aid, vendor payments or money payments or grants
4 which he has a right to receive to the Illinois Health
5 Facilities Authority, in connection with any financing
6 program undertaken by the Illinois Health Facilities
7 Authority, or to the Illinois Development Finance Authority,
8 in connection with any financing program undertaken by the
9 Illinois Development Finance Authority. Each Authority may
10 utilize a trustee or agent to accept, accomplish, effectuate
11 or realize upon any such assignment, reassignment, sale,
12 pledge or grant on that Authority's behalf. Provided further,
13 however, that nothing herein shall prevent the Illinois
14 Department from collecting any assessment, fee, interest or
15 penalty due under Article V-A, V-B, V-C, or V-E by
16 withholding financial aid as payment of such assessment, fee,
17 interest, or penalty. Any alienation in contravention of this
18 statute does not diminish and does not affect the validity,
19 legality or enforceability of any underlying obligations for
20 which such alienation may have been made as collateral
21 between the parties to the alienation. This amendatory Act
22 shall be retroactive in application and shall pertain to
23 obligations existing prior to its enactment.

24 (Source: P.A. 92-111, eff. 1-1-02.)

25 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

26 Sec. 11-3.3. Payment to provider or governmental agency
27 or entity. Payments under this Code shall be made to the
28 provider, except that the Department may issue or may agree
29 to issue the payment directly to the Illinois Health
30 Facilities Authority, the Illinois Development Finance
31 Authority, or any other governmental agency or entity,
32 including any bond trustee for that agency or entity, to whom
33 the provider has assigned, reassigned, sold, pledged or

1 granted a security interest in the payments that the provider
2 has a right to receive, provided that the issuance or
3 agreement to issue is not prohibited under Section
4 1902(a)(32) of the Social Security Act.

5 (Source: P.A. 87-842.)

6 Section 890-26. The Illinois Affordable Housing Act is
7 amended by changing Section 6 as follows:

8 (310 ILCS 65/6) (from Ch. 67 1/2, par. 1256)

9 Sec. 6. Advisory Commission.

10 (a) There is hereby created the Illinois Affordable
11 Housing Advisory Commission. The Commission shall consist of
12 15 members. Three of the Commissioners shall be the Directors
13 of the Illinois Housing Development Authority, the Illinois
14 Development Finance Authority and the Department of Commerce
15 and Community Affairs or their representatives. One of the
16 Commissioners shall be the Commissioner of the Chicago
17 Department of Housing or its representative. The remaining 11
18 members shall be appointed by the Governor, with the advice
19 and consent of the Senate, and not more than 4 of these
20 Commission members shall reside in any one county in the
21 State. At least one Commission member shall be an
22 administrator of a public housing authority from other than a
23 municipality having a population in excess of 2,000,000; at
24 least 2 Commission members shall be representatives of
25 special needs populations as described in subsection (e) of
26 Section 8; at least 4 Commission members shall be
27 representatives of community-based organizations engaged in
28 the development or operation of housing for low-income and
29 very low-income households; and at least 4 Commission members
30 shall be representatives of advocacy organizations, one of
31 which shall represent a tenants' advocacy organization. The
32 Governor shall consider nominations made by advocacy

1 organizations and community-based organizations.

2 (b) Members appointed to the Commission shall serve a
3 term of 3 years; however, 3 members first appointed under
4 this Act shall serve an initial term of one year, and 4
5 members first appointed under this Act shall serve a term of
6 2 years. Individual terms of office shall be chosen by lot
7 at the initial meeting of the Commission. The Governor shall
8 appoint the Chairman of the Commission, and the Commission
9 members shall elect a Vice Chairman.

10 (c) Members of the Commission shall not be entitled to
11 compensation, but shall receive reimbursement for actual and
12 reasonable expenses incurred in the performance of their
13 duties.

14 (d) Eight members of the Commission shall constitute a
15 quorum for the transaction of business.

16 (e) The Commission shall meet at least quarterly and its
17 duties and responsibilities are:

18 (1) the study and review of the availability of
19 affordable housing for low-income and very low-income
20 households in the State of Illinois and the development
21 of a plan which addresses the need for additional
22 affordable housing;

23 (2) encouraging collaboration between federal and
24 State agencies, local government and the private sector
25 in the planning, development and operation of affordable
26 housing for low-income and very low-income households;

27 (3) studying, evaluating and soliciting new and
28 expanded sources of funding for affordable housing;

29 (4) developing, proposing, reviewing, and
30 commenting on priorities, policies and procedures for
31 uses and expenditures of Trust Fund monies, including
32 policies which assure equitable distribution of funds
33 statewide;

34 (5) making recommendations to the Program

1 Administrator concerning proposed expenditures from the
2 Trust Fund;

3 (6) making recommendations to the Program
4 Administrator concerning the developments proposed to be
5 financed with the proceeds of Affordable Housing Program
6 Trust Fund Bonds or Notes;

7 (7) reviewing and commenting on the development of
8 priorities, policies and procedures for the
9 administration of the Program;

10 (8) monitoring and evaluating all allocations of
11 funds under this Program; and

12 (9) making recommendations to the General Assembly
13 for further legislation that may be necessary in the area
14 of affordable housing.

15 (Source: P.A. 88-93; 89-286, eff. 8-10-95.)

16 Section 890-27. The Illinois Rural/Downstate Health Act
17 is amended by changing Section 4 as follows:

18 (410 ILCS 65/4) (from Ch. 111 1/2, par. 8054)

19 Sec. 4. The Center shall have the authority:

20 (a) To assist rural communities and communities in
21 designated shortage areas by providing technical assistance
22 to community leaders in defining their specific health care
23 needs and identifying strategies to address those needs.

24 (b) To link rural communities and communities in
25 designated shortage areas with other units in the Department
26 or other State agencies which can assist in the solution of a
27 health care access problem.

28 (c) To maintain and disseminate information on
29 innovative health care strategies, either directly or
30 indirectly.

31 (d) To administer State or federal grant programs
32 relating to rural health or medically underserved areas

1 established by State or federal law for which funding has
2 been made available.

3 (e) To promote the development of primary care services
4 in rural areas and designated shortage areas. Subject to
5 available appropriations, the Department may annually award
6 grants of up to \$300,000 each to enable the health services
7 in those areas to offer multi-service comprehensive
8 ambulatory care, thereby improving access to primary care
9 services. Grants may cover operational and facility
10 construction and renovation expenses, including but not
11 limited to the cost of personnel, medical supplies and
12 equipment, patient transportation, and health provider
13 recruitment. The Department shall prescribe by rule standards
14 and procedures for the provision of local matching funds in
15 relation to each grant application. Grants provided under
16 this paragraph (e) shall be in addition to support and
17 assistance provided under subsection (a) of Section 2310-200
18 of the Department of Public Health Powers and Duties Law (20
19 ILCS 2310/2310-200). Eligible applicants shall include, but
20 not be limited to, community-based organizations, hospitals,
21 local health departments, and Community Health Centers as
22 defined in Section 4.1 of this Act.

23 (f) To annually provide grants from available
24 appropriations to hospitals located in medically underserved
25 areas or health manpower shortage areas as defined by the
26 United States Department of Health and Human Services, whose
27 governing boards include significant representation of
28 consumers of hospital services residing in the area served by
29 the hospital, and which agree not to discriminate in any way
30 against any consumer of hospital services based upon the
31 consumer's source of payment for those services. Grants that
32 may be awarded under this paragraph (f) shall be limited to
33 \$500,000 and shall not exceed 50% of the total project need
34 indicated in each application. Expenses covered by the grants

1 may include but are not limited to facility renovation,
2 equipment acquisition and maintenance, recruitment of health
3 personnel, diversification of services, and joint venture
4 arrangements.

5 (g) To establish a recruitment center which shall
6 actively recruit physicians and other health care
7 practitioners to participate in the program, maintain
8 contacts with participating practitioners, actively promote
9 health care professional practice in designated shortage
10 areas, assist in matching the skills of participating medical
11 students with the needs of community health centers in
12 designated shortage areas, and assist participating medical
13 students in locating in designated shortage areas.

14 (h) To assist communities in designated shortage areas
15 find alternative services or temporary health care providers
16 when existing health care providers are called into active
17 duty with the armed forces of the United States.

18 (i) To develop, in cooperation with the Illinois
19 Development Finance Authority, financing programs whose goals
20 and purposes shall be to provide moneys to carry out the
21 purpose of this Act, including, but not limited to, revenue
22 bond programs, revolving loan programs, equipment leasing
23 programs, and working cash programs. The Department may
24 transfer to the Illinois Development Finance Authority, into
25 an account outside of the State treasury, moneys in special
26 funds of the Department for the purposes of establishing
27 those programs. The disposition of any moneys so transferred
28 shall be determined by an interagency agreement.

29 (Source: P.A. 91-239, eff. 1-1-00; 91-357, eff. 7-29-99;
30 92-16, eff. 6-28-01.)

31 Section 890-28. The Prevailing Wage Act is amended by
32 changing Section 2 as follows:

1 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

2 Sec. 2. This Act applies to the wages of laborers,
3 mechanics and other workers employed in any public works, as
4 hereinafter defined, by any public body and to anyone under
5 contracts for public works.

6 As used in this Act, unless the context indicates
7 otherwise:

8 "Public works" means all fixed works constructed for
9 public use by any public body, other than work done directly
10 by any public utility company, whether or not done under
11 public supervision or direction, or paid for wholly or in
12 part out of public funds. "Public works" as defined herein
13 includes all projects financed in whole or in part with bonds
14 issued under the Industrial Project Revenue Bond Act (Article
15 11, Division 74 of the Illinois Municipal Code), the
16 Industrial Building Revenue Bond Act, the Illinois
17 Development Finance Authority Act, the Illinois Sports
18 Facilities Authority Act, or the Build Illinois Bond Act, and
19 all projects financed in whole or in part with loans or other
20 funds made available pursuant to the Build Illinois Act.

21 "Construction" means all work on public works involving
22 laborers, workers or mechanics.

23 "Locality" means the county where the physical work upon
24 public works is performed, except (1) that if there is not
25 available in the county a sufficient number of competent
26 skilled laborers, workers and mechanics to construct the
27 public works efficiently and properly, "locality" includes
28 any other county nearest the one in which the work or
29 construction is to be performed and from which such persons
30 may be obtained in sufficient numbers to perform the work and
31 (2) that, with respect to contracts for highway work with the
32 Department of Transportation of this State, "locality" may at
33 the discretion of the Secretary of the Department of
34 Transportation be construed to include two or more adjacent

1 counties from which workers may be accessible for work on
2 such construction.

3 "Public body" means the State or any officer, board or
4 commission of the State or any political subdivision or
5 department thereof, or any institution supported in whole or
6 in part by public funds, authorized by law to construct
7 public works or to enter into any contract for the
8 construction of public works, and includes every county,
9 city, town, village, township, school district, irrigation,
10 utility, reclamation improvement or other district and every
11 other political subdivision, district or municipality of the
12 state whether such political subdivision, municipality or
13 district operates under a special charter or not.

14 The terms "general prevailing rate of hourly wages",
15 "general prevailing rate of wages" or "prevailing rate of
16 wages" when used in this Act mean the hourly cash wages plus
17 fringe benefits for training and apprenticeship programs
18 approved by the U.S. Department of Labor, Bureau of
19 Apprenticeship and Training, health and welfare, insurance,
20 vacations and pensions paid generally, in the locality in
21 which the work is being performed, to employees engaged in
22 work of a similar character on public works.

23 (Source: P.A. 91-105, eff. 1-1-00; 91-935, eff. 6-1-01;
24 92-16, eff. 6-28-01.)

25 Section 890-29. The Transportation Cooperation Act of
26 1971 is amended by changing Section 2 as follows:

27 (5 ILCS 225/2) (from Ch. 111 2/3, par. 602)

28 Sec. 2. For the purposes of this Act:

29 (a) "Railroad passenger service" means any railroad
30 passenger service within the State of Illinois, including the
31 equipment and facilities used in connection therewith, with
32 the exception of the basic system operated by the National

1 Railroad Passenger Corporation pursuant to Title II and
2 Section 403(a) of the Federal Rail Passenger Service Act of
3 1970.

4 (b) "Federal Railroad Corporation" means the National
5 Railroad Passenger Corporation established pursuant to an Act
6 of Congress known as the "Rail Passenger Service Act of
7 1970."

8 (c) "Transportation system" means any and all modes of
9 public transportation within the State, including, but not
10 limited to, transportation of persons or property by rapid
11 transit, rail, bus, and aircraft, and all equipment,
12 facilities and property, real and personal, used in
13 connection therewith.

14 (d) "Carrier" means any corporation, authority,
15 partnership, association, person or district authorized to
16 maintain a transportation system within the State with the
17 exception of the Federal Railroad Corporation.

18 (e) "Units of local government" means cities, villages,
19 incorporated towns, counties, municipalities, townships, and
20 special districts, including any district created pursuant to
21 the "Local Mass Transit District Act", approved July 21,
22 1959, as amended; any Authority created pursuant to the
23 "Metropolitan Transit Authority Act", approved April 12,
24 1945, as amended; and, any authority, commission or other
25 entity which by virtue of an interstate compact approved by
26 Congress is authorized to provide mass transportation.

27 (f) "Universities" means all public institutions of
28 higher education as defined in an "Act creating a Board of
29 Higher Education, defining its powers and duties, making an
30 appropriation therefor, and repealing an Act herein named",
31 approved August 22, 1961, as amended, and all private
32 institutions of higher education as defined in the Illinois
33 Finance Educational-Facilities Authority Act.

34 (g) "Department" means the Illinois Department of

1 Transportation, or such other department designated by law to
2 perform the duties and functions of the Illinois Department
3 of Transportation prior to January 1, 1972.

4 (h) "Association" means any Transportation Service
5 Association created pursuant to Section 4 of this Act.

6 (i) "Contracting Parties" means any units of local
7 government or universities which have associated and joined
8 together pursuant to Section 3 of this Act.

9 (j) "Governing authorities" means (1) the city council
10 or similar legislative body of a city; (2) the board of
11 trustees or similar body of a village or incorporated town;
12 (3) the council of a municipality under the commission form
13 of municipal government; (4) the board of trustees in a
14 township; (5) the Board of Trustees of the University of
15 Illinois, the Board of Trustees of Southern Illinois
16 University, the Board of Trustees of Chicago State
17 University, the Board of Trustees of Eastern Illinois
18 University, the Board of Trustees of Governors State
19 University, the Board of Trustees of Illinois State
20 University, the Board of Trustees of Northeastern Illinois
21 University, the Board of Trustees of Northern Illinois
22 University, the Board of Trustees of Western Illinois
23 University, and the Illinois Community College Board; (6) the
24 county board of a county; and (7) the trustees,
25 commissioners, board members, or directors of a university,
26 special district, authority or similar agency.

27 (Source: P.A. 89-4, eff. 1-1-96.)

28 Section 890-30. The Capital Development Board Act is
29 amended by changing Section 3 as follows:

30 (20 ILCS 3105/3) (from Ch. 127, par. 773)

31 Sec. 3. As used in this Act, unless the context
32 otherwise requires:

1 "Board" means the Capital Development Board.

2 "State agency" means and includes each officer,
3 department, board, commission, institution, body politic and
4 corporate of the State including the Illinois Building
5 Authority, school districts, and any other person expending
6 or encumbering State or federal funds by virtue of an
7 appropriation or other authorization by the General Assembly
8 or federal authorization or grant. Except as otherwise
9 expressly authorized by the General Assembly, the term does
10 not include the Department of Transportation, the Department
11 of Natural Resources, or Environmental Protection Agency,
12 except as respects buildings used by the Department or Agency
13 for its officers, employees, or equipment, or any of them,
14 and for capital improvements related to such buildings. Nor
15 does the term include the Illinois Housing Development
16 Authority, the Illinois Finance Educational--Facilities
17 Authority or the St. Louis Metropolitan Area Airport
18 Authority.

19 "School District" means any school district or special
20 charter district as defined in Section 1-3 of "The School
21 Code", approved March 18, 1961, as amended, or any
22 administrative district, or governing board, of a joint
23 agreement organized under Section 10-22.31 of the School
24 Code.

25 (Source: P.A. 89-445, eff. 2-7-96.)

26 Section 890-31. The Higher Education Loan Act is amended
27 by changing the title and Sections 3, 3.01, and 5 as follows:

28 (110 ILCS 945/Act title)

29 An Act relating to the Illinois Finance Educational
30 Facilities Authority and certain of its powers and duties.

31 (Source: P.A. 85-1326.)

1 (110 ILCS 945/3) (from Ch. 144, par. 1603)

2 Sec. 3. Definitions. In this Act, unless the context
3 otherwise requires, the terms specified in Sections 3.01
4 through 3.13 of this Act and ~~Sections 3.01 through 3.09 of~~
5 the Illinois Finance Educational Facilities Authority Act
6 have the meanings ascribed to them in those Acts Sections.

7 (Source: P.A. 88-555, eff. 7-27-94.)

8 (110 ILCS 945/3.01) (from Ch. 144, par. 1603.01)

9 Sec. 3.01. Authority. "Authority" means the Illinois
10 State Finance Educational Facilities Authority created by the
11 Illinois State Finance Educational Facilities Authority Act.

12 (Source: P.A. 85-1326.)

13 (110 ILCS 945/5) (from Ch. 144, par. 1605)

14 Sec. 5. Transfer of functions from the Illinois
15 Educational Facilities Independent--Higher--Education--Loan
16 Authority to the Illinois Finance Educational Facilities
17 Authority. The Illinois Finance Educational--Facilities
18 Authority created by the Illinois Finance Educational
19 Facilities Authority Act shall succeed to, assume and
20 exercise all rights, powers, duties and responsibilities
21 formerly exercised by the Illinois Educational Facilities
22 Independent-Higher-Education--Loan Authority prior to the
23 abolition of that Authority by this amendatory Act of the
24 93rd General Assembly 1988. All books, records, papers,
25 documents and pending business in any way pertaining to the
26 former Illinois Educational Facilities Independent--Higher
27 Education--Loan Authority are transferred to the Illinois
28 State Finance Educational--Facilities Authority, but any
29 rights or obligations of any person under any contract made
30 by, or under any rules, regulations, uniform standards,
31 criteria and guidelines established or approved by, such
32 former Illinois Educational Facilities Independent-Higher

1 Education-Loan Authority shall be unaffected thereby. All
2 bonds, notes or other evidences of indebtedness outstanding
3 on the effective date of this amendatory Act of the 93rd
4 General Assembly 1988 shall be unaffected by the transfer of
5 functions to the Illinois Finance Educational--Facilities
6 Authority. No rule, regulation, standard, criteria or
7 guideline promulgated, established or approved by the former
8 Illinois Educational Facilities Independent-Higher-Education
9 Loan Authority pursuant to an exercise of any right, power,
10 duty or responsibility assumed by and transferred to the
11 Illinois Finance Educational-Facilities Authority shall be
12 affected by this amendatory Act of the 93rd General Assembly
13 1988, and all such rules, regulations, standards, criteria
14 and guidelines shall become those of the Illinois Finance
15 Educational-Facilities Authority until such time as they are
16 amended or repealed by the Authority.

17 (Source: P.A. 85-1326.)

18 Section 890-32. The Rural Diversification Act is amended
19 by changing Sections 2, 3, 4, and 5 as follows:

20 (20 ILCS 690/2) (from Ch. 5, par. 2252)

21 Sec. 2. Findings and declaration of policy. The General
22 Assembly hereby finds, determines and declares:

23 (a) That Illinois is a state of diversified economic
24 strength and that an important economic strength in Illinois
25 is derived from rural business production and the
26 agribusiness industry;

27 (b) That the Illinois rural economy is in a state of
28 transition, which presents a unique opportunity for the State
29 to act on its growth and development;

30 (c) That full and continued growth and development of
31 Illinois' rural economy, especially in the small towns and
32 farm communities, is vital for Illinois;

1 (d) That by encouraging the development of diversified
2 rural business and agricultural production, nonproduction and
3 processing activities in Illinois, the State creates a
4 beneficial climate for new and improved job opportunities for
5 its citizens and expands jobs and job training opportunities;

6 (e) That in order to cultivate strong rural economic
7 growth and development in Illinois, it is necessary to
8 proceed with a plan which encourages Illinois rural
9 businesses and agribusinesses to expand business employment
10 opportunities through diversification of business and
11 industries, offers managerial, technical and financial
12 assistance to or on behalf of rural businesses and
13 agribusiness, and works in a cooperative venture and spirit
14 with Illinois' business, labor, local government, educational
15 and scientific communities;

16 (f) That dedication of State resources over a multi-year
17 period targeted to promoting the growth and development of
18 one or more classes of diversified rural products,
19 particularly new agricultural products, is an effective use
20 of State funds;

21 (g) That the United States Congress, having identified
22 similar needs and purposes has enacted legislation creating
23 the United States Department of Agriculture/Farmers Home
24 Administration Non-profit National Finance Corporations Loan
25 and Grant Program and made funding available to the states
26 consistent with the purposes of this Act.

27 (h) That the Illinois General Assembly has enacted
28 "Rural Revival" and a series of "Harvest the Heartland"
29 initiatives which create within the Illinois Finance Farm
30 Development Authority a "Seed Capital Fund" to provide
31 venture capital for emerging new agribusinesses, and to help
32 coordinate cooperative research and development on new
33 agriculture technologies in conjunction with the Agricultural
34 Research and Development Consortium in Peoria, the United

1 State Department of Agriculture Northern Regional Research
2 Laboratory in Peoria, the institutions of higher learning in
3 Illinois, and the agribusiness community of this State,
4 identify the need for enhanced efforts by the State to
5 promote the use of fuels utilizing ethanol made from Illinois
6 grain, and promote forestry development in this State; and

7 (i) That there is a need to coordinate the many programs
8 offered by the State of Illinois Departments of Agriculture,
9 Commerce and Community Affairs, and Natural Resources, and
10 the Illinois Finance Farm--Development Authority that are
11 targeted to agriculture and the rural community with those
12 offered by the federal government. Therefore it is desirable
13 that the fullest measure of coordination and integration of
14 the programs offered by the various state agencies and the
15 federal government be achieved.

16 (Source: P.A. 89-445, eff. 2-7-96.)

17 (20 ILCS 690/3) (from Ch. 5, par. 2253)

18 Sec. 3. Definitions. The following words and phrases
19 shall have the meaning ascribed to each of them in this
20 Section unless the context clearly indicates otherwise:

21 (a) "Office" means the Office of Rural Community
22 Development within the Illinois Department of Commerce and
23 Community Affairs.

24 (b) "Rural business" means a business, including a
25 cooperative, proprietorship, partnership, corporation or
26 other entity, that is located in a municipality of 20,000
27 population or less, or in an unincorporated area of a county
28 with a population of less than 350,000, but not in a
29 municipality which is contiguous to a municipality or
30 municipalities with a population greater than 20,000. The
31 business must also be engaged in manufacturing, mining,
32 agriculture, wholesale, transportation, tourism, or utilities
33 or in research and development or services to these basic

1 industrial sectors.

2 (c) "Agribusiness", for purpose of this Act, means a
3 rural business that is defined as an agribusiness pursuant to
4 ~~subsection (i) of Section 2 of~~ the Illinois Finance Authority
5 Farm-Development Act.

6 (d) "Rural diversification project" means financing to a
7 rural business for a specific activity undertaken to promote:
8 (i) the improvement and expansion of business and industry in
9 rural areas; (ii) creation of entrepreneurial and
10 self-employment businesses; (iii) industry or region wide
11 research directed to profit oriented uses of rural resources,
12 and (iv) value added agricultural supply, production
13 processing or reprocessing facilities or operations and shall
14 include but not be limited to agricultural diversification
15 projects.

16 (e) "Financing" means direct loans at market or below
17 market rate interest, grants, technical assistance contracts,
18 or other means whereby monetary assistance is provided to or
19 on behalf of rural business or agribusinesses for purposes of
20 rural diversification.

21 (f) "Agricultural diversification project" means
22 financing awarded to a rural business for a specific activity
23 undertaken to promote diversification of the farm economy of
24 this State through (i) profit oriented nonproduction uses of
25 Illinois land resources, (ii) growth and development of new
26 crops or livestock not customarily grown or produced in this
27 State, or (iii) developments which emphasize a vertical
28 integration of grain or livestock produced or raised in this
29 State into a finished product for consumption or use. "New
30 crops or livestock not customarily grown or produced in this
31 State" does not include corn, soybeans, wheat, swine, or beef
32 or dairy cattle. "Vertical integration of grain or livestock
33 produced or raised in this State" includes any new or
34 existing grain or livestock grown or produced in this State.

1 (Source: P.A. 85-180.)

2 (20 ILCS 690/4) (from Ch. 5, par. 2254)

3 Sec. 4. Powers of the Office. The Office has the
4 following powers, in addition to those granted to it by other
5 law:

6 (a) To provide financing pursuant to the provisions of
7 this Act, from appropriations made by the General Assembly
8 from the General Revenue Fund, Federal trust funds, and the
9 Rural Diversification Revolving Fund created herein, to or on
10 behalf of rural business and agribusiness to promote rural
11 diversification.

12 (b) To provide financing in the form of direct loans and
13 grants from State funds for qualifying agricultural and rural
14 diversification projects independent of federal financial
15 participation, except that no grants from State funds shall
16 be made directly with a rural business.

17 (c) To provide financing in the form of direct loans,
18 grants, and technical assistance contracts from State funds
19 for qualifying agricultural and rural diversification
20 projects in coordination with federal financial participation
21 in the form of loan guarantees, direct loans, and grant and
22 technical assistance contract reimbursements.

23 (d) To consider in the award of State funded financing
24 the satisfaction of matching requirements associated with
25 federal financing participation and the maximization of
26 federal financing participation to the benefit of the rural
27 Illinois economy.

28 (e) To enter into agreements or contracts, accept funds
29 or grants, and cooperate with agencies of the Federal
30 Government, State or Local Governments, the private sector or
31 non-profit organizations to carry out the purposes of this
32 Act;

33 (f) To enter into agreements or contracts for the

1 promotion, application origination, analysis or servicing of
2 the financings made by the Office pursuant to this Act;

3 (g) To receive and accept, from any source, aid or
4 contributions of money, property or labor for the furtherance
5 of this Act and collect fees, charges or advances as the
6 Department may determine in connection with its financing;

7 (h) To establish application, notification, contract and
8 other procedures and other procedures and rules deemed
9 necessary and appropriate by the Office to carry out the
10 provisions of this Act;

11 (i) To foreclose any mortgage, deed of trust, note,
12 debenture, bond or other security interest held by the Office
13 and to take all such actions as may be necessary to enforce
14 any obligation held by the Office;

15 (j) To analyze opportunities and needs of rural
16 communities, primarily those communities experiencing farm
17 worker distress including consultation with regional
18 commissions, governments, or diversification organizations,
19 and work to strengthen the coordination of existing programs
20 offered through the Office, the Department of Agriculture,
21 the Department of Natural Resources, the Illinois Finance
22 Farm-Development Authority, the Cooperative Extension Service
23 and others for rural and agribusiness development and
24 assistance; and

25 (k) To cooperate with an existing committee comprised of
26 representatives from the Office, the Rural Affairs Council or
27 its successor, the Department of Agriculture, the Illinois
28 Finance Farm--Development Authority and others to coordinate
29 departmental policies with other State agencies and to
30 promote agricultural and rural diversification in the State.

31 (l) To exercise such other right, powers and duties as
32 are necessary to fulfill the purposes of this Act.

33 (Source: P.A. 89-445, eff. 2-7-96.)

1 (20 ILCS 690/5) (from Ch. 5, par. 2255)

2 Sec. 5. Agricultural and rural diversification
3 financing. (a) The Office's financing to or on behalf of
4 rural businesses or agribusinesses in the State shall be for
5 the purpose of assisting in the cost of agricultural and
6 rural diversification projects including (i) acquisition,
7 construction, reconstruction, replacement, repair,
8 rehabilitation, alteration, expansion or extension of real
9 property, buildings or machinery and equipment but not the
10 acquisition of unimproved land for the production of crops or
11 livestock; (ii) working capital items including but not
12 limited to, inventory, accounts receivable and prepaid
13 expenses; (iii) organizational expenses including, but not
14 limited to, architectural and engineering costs, legal
15 services, marketing analyses, production analyses, or other
16 professional services; (iv) needed leasehold improvements,
17 easements, and other amenities required to prepare a site;
18 (v) information, technical support and technical assistance
19 contracts to local officials or not-for-profit agencies
20 regarding private, state and federal resources, programs or
21 grant assistances and the needs and opportunities for
22 diversification; and (vi) when conducted in cooperation with
23 federal reimbursement programs, financing costs including
24 guarantee fees, packaging fees and origination fees but not
25 debt refinancing.

26 (b) Agricultural or rural diversification financing to a
27 rural business or agribusiness under this Act shall be used
28 only where it can be shown that the agricultural or rural
29 diversification project for which financing is being sought
30 has the potential to achieve commercial success and will
31 increase employment, directly or indirectly retain jobs, or
32 promote local diversification.

33 (c) The Office shall establish an internal review
34 committee with the Director of the Rural Affairs Council, or

1 his designee, the Director of the Department of Agriculture,
2 or his designee, and the Director of the Illinois Finance
3 Farm-Development Authority, or his designee, as members to
4 assist in the review of all project applications.

5 (d) The Office shall not provide financing to a rural
6 business or agribusiness unless the application includes
7 convincing evidence that a specific agricultural or rural
8 diversification project is ready to occur and will only occur
9 if the financing is made. The Office shall also consider the
10 applicability of other state and federal programs prior to
11 financing any project.

12 (Source: P.A. 85-180.)

13 Section 890-33. The Emergency Farm Credit Allocation Act
14 is amended by changing Sections 3 and 4 as follows:

15 (20 ILCS 3610/3) (from Ch. 5, par. 1253)

16 Sec. 3. As used in this Act unless the context otherwise
17 requires:

18 (a) "Applicant" means an Illinois farmer applying for an
19 operating loan.

20 (b) "Operating loan" means a loan to an applicant in
21 connection with cultivating the soil, or in connection with
22 raising or harvesting any agricultural or horticultural
23 commodity, including the raising, feeding and management of
24 livestock or poultry on a farm of which the applicant is the
25 owner, tenant, or operator, for the current year's operating
26 expenses.

27 (c) "Lender" means any federal or State chartered bank,
28 federal land bank, production credit association, bank for
29 cooperatives, federal or State chartered savings and loan
30 association or building and loan association, business
31 investment company or any other institution qualified within
32 this State to originate and service loans, including, but

1 without limitation to, insurance companies, credit unions and
2 mortgage loan companies.

3 (d) "Payment adjustment" means an amount of money equal
4 to one-half of the total interest payable on the principal of
5 the operating loan.

6 (e) "Authority" means the Illinois Finance Farm
7 Development Authority.

8 (f) "Asset" shall include, but not be limited to the
9 following: cash crops or feed on hand; livestock held for
10 sale; breeding stock; marketable bonds and securities;
11 securities not readily marketable; accounts receivable; notes
12 receivable; cash invested in growing crops; net cash value of
13 life insurance; machinery and equipment; cars and trucks;
14 farm and other real estate including life estates and
15 personal residence; value of beneficial interests in trusts;
16 government payments or grants; and any other assets.

17 (g) "Liability" shall include, but not be limited to the
18 following: accounts payable; notes or other indebtedness owed
19 to any source; taxes; rent; amounts owed on real estate
20 contracts or real estate mortgages; judgments; accrued
21 interest payable; and any other liability.

22 (h) "Debt to asset ratio" means the current outstanding
23 liabilities of the farmer divided by the current outstanding
24 assets of the farmer.

25 (Source: P.A. 84-1; 84-1106.)

26 (20 ILCS 3610/4) (from Ch. 5, par. 1254)

27 Sec. 4. There is hereby created a payment adjustment
28 program to be administered by the Illinois Finance Farm
29 Development Authority. The Authority shall have the authority
30 to promulgate and adopt rules and regulations which are
31 consistent with this Act. The Authority may impose a minimal
32 fee to cover the costs of administering the program. On or
33 before May 1 of each of the next six years, or until all

1 repayments have been received on payment adjustments, the
2 Authority shall submit a report to the General Assembly and
3 the Governor concerning the status of the payment adjustment
4 program. The Authority shall grant no payment adjustments
5 after June 15, 1986.

6 (Source: P.A. 84-1; 84-1106.)

7 Section 890-34. The Build Illinois Act is amended by
8 changing Section 8-3 as follows:

9 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

10 Sec. 8-3. Powers of the Department. The Department has
11 the power to:

12 (a) provide business development public infrastructure
13 loans or grants from appropriations from the Build Illinois
14 Bond Fund, the Build Illinois Purposes Fund, the Fund for
15 Illinois' Future, and the Public Infrastructure Construction
16 Loan Fund to local governments to provide or improve a
17 community's public infrastructure so as to create or retain
18 private sector jobs pursuant to the provisions of this
19 Article;

20 (b) provide affordable financing of public
21 infrastructure loans and grants to, or on behalf of, local
22 governments, local public entities, medical facilities, and
23 public health clinics from appropriations from the Public
24 Infrastructure Construction Loan Fund for the purpose of
25 assisting with the financing, or application and access to
26 financing, of a community's public infrastructure necessary
27 to health, safety, and economic development;

28 (c) enter into agreements, accept funds or grants, and
29 engage in cooperation with agencies of the federal
30 government, or state or local governments to carry out the
31 purposes of this Article, and to use funds appropriated
32 pursuant to this Article to participate in federal

1 infrastructure loan and grant programs upon such terms and
2 conditions as may be established by the federal government;

3 (d) establish application, notification, contract, and
4 other procedures, rules, or regulations deemed necessary and
5 appropriate to carry out the provisions of this Article;

6 (e) coordinate assistance under this program with
7 activities of the Illinois Development Finance Authority in
8 order to maximize the effectiveness and efficiency of State
9 development programs;

10 (f) coordinate assistance under the Affordable Financing
11 of Public Infrastructure Loan and Grant Program with the
12 activities of the Illinois Development Finance Authority,
13 Illinois Rural Bond Bank, Illinois Finance Farm--Development
14 Authority, Illinois Housing Development Authority, Illinois
15 Environmental Protection Agency, and other federal and State
16 programs and entities providing financing assistance to
17 communities for public health, safety, and economic
18 development infrastructure;

19 (f-5) provide staff, administration, and related support
20 required to manage the programs authorized under this Article
21 and pay for the staffing, administration, and related support
22 from the Public Infrastructure Construction Loan Revolving
23 Fund;

24 (g) exercise such other powers as are necessary or
25 incidental to the foregoing.

26 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

27 Section 890-35. The Livestock Management Facilities Act
28 is amended by changing Section 17 as follows:

29 (510 ILCS 77/17)

30 Sec. 17. Financial responsibility. Owners of new or
31 modified lagoons registered under the provisions of this Act
32 shall establish and maintain evidence of financial

1 responsibility to provide for the closure of the lagoons and
2 the proper disposal of their contents within the time
3 provisions outlined in this Act. Financial responsibility
4 may be evidenced by any combination of the following:

- 5 (1) Commercial or private insurance;
- 6 (2) Guarantee;
- 7 (3) Surety bond;
- 8 (4) Letter of credit;
- 9 (5) Certificate of Deposit or designated savings
10 account;
- 11 (6) Participation in a livestock waste lagoon closure
12 fund managed by the Illinois Finance Farm---Development
13 Authority.

14 The level of surety required shall be determined by rule
15 and be based upon the volumetric capacity of the lagoon.
16 Surety instruments required under this Section shall be
17 required after the effective date of rules adopted for the
18 implementation of this Act.

19 (Source: P.A. 89-456, eff. 5-21-96; 90-565, eff. 6-1-98.)

20 Section 890-36. The Illinois Forestry Development Act is
21 amended by changing Sections 4 and 6a as follows:

22 (525 ILCS 15/4) (from Ch. 96 1/2, par. 9104)

23 Sec. 4. The Department shall: (a) Implement the forestry
24 development cost share program created by Section 5 of this
25 Act and coordinate with the United States Department of
26 Agriculture - Soil Conservation Service and the Agricultural
27 Stabilization and Conservation Service in the administration
28 of such program.

29 (b) Approve acceptable forestry management plans as
30 required by Section 5 of this Act.

31 (c) Provide assistance to the Illinois Council on
32 Forestry Development.

1 (d) Promote the development of an active forestry
2 industry in this State by providing information to timber
3 growers relating to acceptable management practices,
4 suitability of various kinds of timber to various land types,
5 marketability of various types of timber, market strategies
6 including marketing cooperatives, availability of State and
7 federal government assistance, soil and water conservation
8 benefits, and wildlife habitat enhancement opportunities.

9 (e) Provide any aid or information requested by the
10 Illinois Finance Farm-Development Authority in relation to
11 forestry industry assistance programs implemented under the
12 "Illinois Finance Authority Farm-Development Act".

13 (Source: P.A. 86-779.)

14 (525 ILCS 15/6a) (from Ch. 96 1/2, par. 9106a)

15 (Section scheduled to be repealed on December 31, 2008)

16 Sec. 6a. Illinois Forestry Development Council.

17 (a) The Illinois Forestry Development Council is hereby
18 re-created by this amendatory Act of the 91st General
19 Assembly.

20 (b) The Council shall consist of 24 members appointed as
21 follows:

22 (1) four members of the General Assembly, one
23 appointed by the President of the Senate, one appointed
24 by the Senate Minority Leader, one appointed by the
25 Speaker of the House of Representatives, and one
26 appointed by the House Minority Leader;

27 (2) one member appointed by the Governor to
28 represent the Governor;

29 (3) the Directors of the Departments of Natural
30 Resources, Agriculture, and Commerce and Community
31 Affairs, the Executive Director of the Illinois Finance
32 Farm-Development Authority, and the Director of the
33 Office of Rural Affairs, or their designees;

1 (4) the chairman of the Department of Forestry or a
2 forestry academician, appointed by the Dean of
3 Agriculture at Southern Illinois University at
4 Carbondale;

5 (5) the head of the Department of Natural Resources
6 and Environmental Sciences or a forestry academician,
7 appointed by the Dean of Agriculture at the University of
8 Illinois;

9 (6) two members, appointed by the Governor, who
10 shall be private timber growers;

11 (7) one member, appointed by the president of the
12 Illinois Wood Products Association, who shall be involved
13 in primary forestry industry;

14 (8) one member, appointed by the president of the
15 Illinois Wood Products Association, who shall be involved
16 in secondary forestry industry;

17 (9) one member who is actively involved in
18 environmental issues, appointed by the Governor;

19 (10) the president of the Association of Illinois
20 Soil and Water Conservation Districts;

21 (11) two persons who are actively engaged in
22 farming, appointed by the Governor;

23 (12) one member, appointed by the Governor, whose
24 primary area of expertise is urban forestry;

25 (13) one member appointed by the President of the
26 Illinois Arborists Association;

27 (14) the Supervisor of the Shawnee National Forest
28 and the United States Department of Agriculture Natural
29 Resource Conservation Service's State Conservationist, ex
30 officio, or their designees.

31 (c) Members of the Council shall serve without
32 compensation but shall be reimbursed for actual expenses
33 incurred in the performance of their duties which are not
34 otherwise reimbursed.

1 (d) The Council shall select from its membership a
2 chairperson and such other officers as it considers
3 necessary.

4 (e) Other individuals, agencies and organizations may be
5 invited to participate as deemed advisable by the Council.

6 (f) The Council shall study and evaluate the forestry
7 resources and forestry industry of Illinois. The Council
8 shall:

9 (1) determine the magnitude, nature and extent of
10 the State's forestry resources;

11 (2) determine current uses and project future
12 demand for forest products, services and benefits in
13 Illinois;

14 (3) determine and evaluate the ownership
15 characteristics of the State's forests, the motives for
16 forest ownership and the success of incentives necessary
17 to stimulate development of forest resources;

18 (4) determine the economic development and
19 management opportunities that could result from
20 improvements in local and regional forest product
21 marketing and from the establishment of new or additional
22 wood-related businesses in Illinois;

23 (5) confer with and offer assistance to the
24 Illinois Finance Farm-Development Authority relating to
25 its implementation of forest industry assistance programs
26 authorized by the Illinois Finance Authority Farm
27 Development Act;

28 (6) determine the opportunities for increasing
29 employment and economic growth through development of
30 forest resources;

31 (7) determine the effect of current governmental
32 policies and regulations on the management of woodlands
33 and the location of wood products markets;

34 (8) determine the staffing and funding needs for

1 forestry and other conservation programs to support and
2 enhance forest resources development;

3 (9) determine the needs of forestry education
4 programs in this State;

5 (10) confer with and offer assistance to the
6 Department of Natural Resources relating to the
7 implementation of urban forestry assistance grants
8 pursuant to the Urban and Community Forestry Assistance
9 Act; and

10 (11) determine soil and water conservation benefits
11 and wildlife habitat enhancement opportunities that can
12 be promoted through approved forestry management plans.

13 (g) The Council shall report (i) its findings and
14 recommendations for future State action and (ii) its
15 evaluation of Urban/Community Forestry Assistance Grants to
16 the General Assembly no later than July 1 of each year.

17 (h) This Section 6a is repealed December 31, 2008.

18 (Source: P.A. 90-809, eff. 12-31-98; 91-157, eff. 7-16-99.)

19 Section 890-37. The Public Funds Investment Act is
20 amended by changing Section 6 as follows:

21 (30 ILCS 235/6) (from Ch. 85, par. 906)

22 Sec. 6. Report of financial institutions.

23 (a) No bank shall receive any public funds unless it has
24 furnished the corporate authorities of a public agency
25 submitting a deposit with copies of the last two sworn
26 statements of resources and liabilities which the bank is
27 required to furnish to the Commissioner of Banks and Real
28 Estate or to the Comptroller of the Currency. Each bank
29 designated as a depository for public funds shall, while
30 acting as such depository, furnish the corporate authorities
31 of a public agency with a copy of all statements of resources
32 and liabilities which it is required to furnish to the

1 Commissioner of Banks and Real Estate or to the Comptroller
2 of the Currency; provided, that if such funds or moneys are
3 deposited in a bank, the amount of all such deposits not
4 collateralized or insured by an agency of the federal
5 government shall not exceed 75% of the capital stock and
6 surplus of such bank, and the corporate authorities of a
7 public agency submitting a deposit shall not be discharged
8 from responsibility for any funds or moneys deposited in any
9 bank in excess of such limitation.

10 (b) No savings bank or savings and loan association
11 shall receive public funds unless it has furnished the
12 corporate authorities of a public agency submitting a deposit
13 with copies of the last 2 sworn statements of resources and
14 liabilities which the savings bank or savings and loan
15 association is required to furnish to the Commissioner of
16 Banks and Real Estate or the Federal Deposit Insurance
17 Corporation. Each savings bank or savings and loan
18 association designated as a depository for public funds
19 shall, while acting as such depository, furnish the corporate
20 authorities of a public agency with a copy of all statements
21 of resources and liabilities which it is required to furnish
22 to the Commissioner of Banks and Real Estate or the Federal
23 Deposit Insurance Corporation; provided, that if such funds
24 or moneys are deposited in a savings bank or savings and loan
25 association, the amount of all such deposits not
26 collateralized or insured by an agency of the federal
27 government shall not exceed 75% of the net worth of such
28 savings bank or savings and loan association as defined by
29 the Federal Deposit Insurance Corporation, and the corporate
30 authorities of a public agency submitting a deposit shall not
31 be discharged from responsibility for any funds or moneys
32 deposited in any savings bank or savings and loan association
33 in excess of such limitation.

34 (c) No credit union shall receive public funds unless it

1 has furnished the corporate authorities of a public agency
2 submitting a share deposit with copies of the last two
3 reports of examination prepared by or submitted to the
4 Illinois Department of Financial Institutions or the National
5 Credit Union Administration. Each credit union designated as
6 a depository for public funds shall, while acting as such
7 depository, furnish the corporate authorities of a public
8 agency with a copy of all reports of examination prepared by
9 or furnished to the Illinois Department of Financial
10 Institutions or the National Credit Union Administration;
11 provided that if such funds or moneys are invested in a
12 credit union account, the amount of all such investments not
13 collateralized or insured by an agency of the federal
14 government or other approved share insurer shall not exceed
15 50% of the unimpaired capital and surplus of such credit
16 union, which shall include shares, reserves and undivided
17 earnings and the corporate authorities of a public agency
18 making an investment shall not be discharged from
19 responsibility for any funds or moneys invested in a credit
20 union in excess of such limitation.

21 (d) Whenever a public agency deposits any public funds
22 in a financial institution, the public agency may enter into
23 an agreement with the financial institution requiring any
24 funds not insured by the Federal Deposit Insurance
25 Corporation or the National Credit Union Administration or
26 other approved share insurer to be collateralized by
27 securities, mortgages, letters of credit issued by a Federal
28 Home Loan Bank, or loans covered by a State Guaranty under
29 the Illinois Finance Authority Farm--Development Act in an
30 amount equal to at least market value of that amount of funds
31 deposited exceeding the insurance limitation provided by the
32 Federal Deposit Insurance Corporation or the National Credit
33 Union Administration or other approved share insurer.

34 (e) Paragraphs (a), (b), (c), and (d) of this Section do

1 not apply to the University of Illinois, Southern Illinois
2 University, Chicago State University, Eastern Illinois
3 University, Governors State University, Illinois State
4 University, Northeastern Illinois University, Northern
5 Illinois University, Western Illinois University, the
6 Cooperative Computer Center and public community colleges.
7 (Source: P.A. 91-324, eff. 1-1-00; 91-773, eff. 6-9-00.)

8 Section 890-38. The Children and Family Services Act is
9 amended by changing Section 22.4 as follows:

10 (20 ILCS 505/22.4) (from Ch. 23, par. 5022.4)

11 Sec. 22.4. Low-interest loans for child care facilities;
12 Department of Human Services. The Department of Human
13 Services may establish, with financing to be provided through
14 the issuance of bonds by the Illinois Finance Health
15 Facilities Authority pursuant to the Illinois Finance Health
16 Facilities Authority Act, ~~as--now--or--hereafter--amended,~~ a
17 low-interest loan program to help child care centers and
18 family day care homes accomplish the following:

- 19 (a) establish a child care program;
- 20 (b) meet federal, State and local child care
21 standards as well as any applicable health and safety
22 standards; or
- 23 (c) build facilities or renovate or expand existing
24 facilities.

25 Such loans shall be available only to child care centers
26 and family day care homes serving children of low income
27 families.

28 (Source: P.A. 89-507, eff. 7-1-97.)

29 Section 890-39. The Energy Conservation and Coal
30 Development Act is amended by changing Section 15 as follows:

1 (20 ILCS 1105/15) (from Ch. 96 1/2, par. 7415)

2 Sec. 15. (a) The Department, in cooperation with the
3 Illinois Development Finance Authority, shall establish a
4 program to assist units of local government, as defined in
5 the Illinois Development Finance Authority Act, to identify
6 and arrange financing for energy conservation projects for
7 buildings and facilities owned or leased by those units of
8 local government.

9 (b) The Department, in cooperation with the Illinois
10 Finance Health--Facilities Authority, shall establish a
11 program to assist health facilities to identify and arrange
12 financing for energy conservation projects for buildings and
13 facilities owned or leased by those health facilities.

14 (Source: P.A. 87-852; 88-45.)

15 Section 890-40. The Illinois Public Aid Code is amended
16 by changing Sections 11-3 and 11-3.3 as follows:

17 (305 ILCS 5/11-3) (from Ch. 23, par. 11-3)

18 Sec. 11-3. Assignment and attachment of aid prohibited.
19 Except as provided below in this Section and in Section
20 11-3.3, all financial aid given under Articles III, IV, V,
21 and VI and money payments for child care services provided by
22 a child care provider under Articles IX and IXA shall not be
23 subject to assignment, sale, attachment, garnishment, or
24 otherwise. Provided, however, that a medical vendor may use
25 his right to receive vendor payments as collateral for loans
26 from financial institutions so long as such arrangements do
27 not constitute any activity prohibited under Section
28 1902(a)(32) of the Social Security Act and regulations
29 promulgated thereunder, or any other applicable laws or
30 regulations. Provided further, however, that a medical or
31 other vendor or a service provider may assign, reassign,
32 sell, pledge or grant a security interest in any such

1 financial aid, vendor payments or money payments or grants
2 which he has a right to receive to the Illinois Finance
3 Health-Facilities Authority, in connection with any financing
4 program undertaken by the Illinois Finance Health--Facilities
5 Authority, or to the Illinois Development Finance Authority,
6 in connection with any financing program undertaken by the
7 Illinois Development Finance Authority. Each Authority may
8 utilize a trustee or agent to accept, accomplish, effectuate
9 or realize upon any such assignment, reassignment, sale,
10 pledge or grant on that Authority's behalf. Provided further,
11 however, that nothing herein shall prevent the Illinois
12 Department from collecting any assessment, fee, interest or
13 penalty due under Article V-A, V-B, V-C, or V-E by
14 withholding financial aid as payment of such assessment, fee,
15 interest, or penalty. Any alienation in contravention of this
16 statute does not diminish and does not affect the validity,
17 legality or enforceability of any underlying obligations for
18 which such alienation may have been made as collateral
19 between the parties to the alienation. This amendatory Act
20 shall be retroactive in application and shall pertain to
21 obligations existing prior to its enactment.

22 (Source: P.A. 92-111, eff. 1-1-02.)

23 (305 ILCS 5/11-3.3) (from Ch. 23, par. 11-3.3)

24 Sec. 11-3.3. Payment to provider or governmental agency
25 or entity. Payments under this Code shall be made to the
26 provider, except that the Department may issue or may agree
27 to issue the payment directly to the Illinois Finance Health
28 Facilities Authority, the Illinois Development Finance
29 Authority, or any other governmental agency or entity,
30 including any bond trustee for that agency or entity, to whom
31 the provider has assigned, reassigned, sold, pledged or
32 granted a security interest in the payments that the provider
33 has a right to receive, provided that the issuance or

1 agreement to issue is not prohibited under Section
2 1902(a)(32) of the Social Security Act.
3 (Source: P.A. 87-842.)

4 Section 890-41. The AIDS Confidentiality Act is amended
5 by changing Section 3 as follows:

6 (410 ILCS 305/3) (from Ch. 111 1/2, par. 7303)

7 Sec. 3. When used in this Act:

8 (a) "Department" means the Illinois Department of Public
9 Health.

10 (b) "AIDS" means acquired immunodeficiency syndrome.

11 (c) "HIV" means the Human Immunodeficiency Virus or any
12 other identified causative agent of AIDS.

13 (d) "Written informed consent" means an agreement in
14 writing executed by the subject of a test or the subject's
15 legally authorized representative without undue inducement or
16 any element of force, fraud, deceit, duress or other form of
17 constraint or coercion, which entails at least the following:

18 (1) a fair explanation of the test, including its
19 purpose, potential uses, limitations and the meaning of its
20 results; and

21 (2) a fair explanation of the procedures to be followed,
22 including the voluntary nature of the test, the right to
23 withdraw consent to the testing process at any time, the
24 right to anonymity to the extent provided by law with respect
25 to participation in the test and disclosure of test results,
26 and the right to confidential treatment of information
27 identifying the subject of the test and the results of the
28 test, to the extent provided by law.

29 (e) "Health facility" means a hospital, nursing home,
30 blood bank, blood center, sperm bank, or other health care
31 institution, including any "health facility" as that term is
32 defined in the Illinois Finance Health-Facilities Authority

1 Act.

2 (f) "Health care provider" means any physician, nurse,
3 paramedic, psychologist or other person providing medical,
4 nursing, psychological, or other health care services of any
5 kind.

6 (g) "Test" or "HIV test" means a test to determine the
7 presence of the antibody or antigen to HIV, or of HIV
8 infection.

9 (h) "Person" includes any natural person, partnership,
10 association, joint venture, trust, governmental entity,
11 public or private corporation, health facility or other legal
12 entity.

13 (Source: P.A. 85-677; 85-679.)

14 Section 890-42. The State Employees Group Insurance Act
15 of 1971 is amended by changing Section 3 as follows:

16 (5 ILCS 375/3) (from Ch. 127, par. 523)

17 Sec. 3. Definitions. Unless the context otherwise
18 requires, the following words and phrases as used in this Act
19 shall have the following meanings. The Department may define
20 these and other words and phrases separately for the purpose
21 of implementing specific programs providing benefits under
22 this Act.

23 (a) "Administrative service organization" means any
24 person, firm or corporation experienced in the handling of
25 claims which is fully qualified, financially sound and
26 capable of meeting the service requirements of a contract of
27 administration executed with the Department.

28 (b) "Annuitant" means (1) an employee who retires, or
29 has retired, on or after January 1, 1966 on an immediate
30 annuity under the provisions of Articles 2, 14, 15 (including
31 an employee who has retired under the optional retirement
32 program established under Section 15-158.2), paragraphs (2),

1 (3), or (5) of Section 16-106, or Article 18 of the Illinois
2 Pension Code; (2) any person who was receiving group
3 insurance coverage under this Act as of March 31, 1978 by
4 reason of his status as an annuitant, even though the annuity
5 in relation to which such coverage was provided is a
6 proportional annuity based on less than the minimum period of
7 service required for a retirement annuity in the system
8 involved; (3) any person not otherwise covered by this Act
9 who has retired as a participating member under Article 2 of
10 the Illinois Pension Code but is ineligible for the
11 retirement annuity under Section 2-119 of the Illinois
12 Pension Code; (4) the spouse of any person who is receiving a
13 retirement annuity under Article 18 of the Illinois Pension
14 Code and who is covered under a group health insurance
15 program sponsored by a governmental employer other than the
16 State of Illinois and who has irrevocably elected to waive
17 his or her coverage under this Act and to have his or her
18 spouse considered as the "annuitant" under this Act and not
19 as a "dependent"; or (5) an employee who retires, or has
20 retired, from a qualified position, as determined according
21 to rules promulgated by the Director, under a qualified local
22 government or a qualified rehabilitation facility or a
23 qualified domestic violence shelter or service. (For
24 definition of "retired employee", see (p) post).

25 (b-5) "New SERS annuitant" means a person who, on or
26 after January 1, 1998, becomes an annuitant, as defined in
27 subsection (b), by virtue of beginning to receive a
28 retirement annuity under Article 14 of the Illinois Pension
29 Code, and is eligible to participate in the basic program of
30 group health benefits provided for annuitants under this Act.

31 (b-6) "New SERS annuitant" means a person who (1) on or
32 after January 1, 1998, becomes an annuitant, as defined in
33 subsection (b), by virtue of beginning to receive a
34 retirement annuity under Article 15 of the Illinois Pension

1 Code, (2) has not made the election authorized under Section
2 15-135.1 of the Illinois Pension Code, and (3) is eligible to
3 participate in the basic program of group health benefits
4 provided for annuitants under this Act.

5 (b-7) "New TRS State annuitant" means a person who, on
6 or after July 1, 1998, becomes an annuitant, as defined in
7 subsection (b), by virtue of beginning to receive a
8 retirement annuity under Article 16 of the Illinois Pension
9 Code based on service as a teacher as defined in paragraph
10 (2), (3), or (5) of Section 16-106 of that Code, and is
11 eligible to participate in the basic program of group health
12 benefits provided for annuitants under this Act.

13 (c) "Carrier" means (1) an insurance company, a
14 corporation organized under the Limited Health Service
15 Organization Act or the Voluntary Health Services Plan Act, a
16 partnership, or other nongovernmental organization, which is
17 authorized to do group life or group health insurance
18 business in Illinois, or (2) the State of Illinois as a
19 self-insurer.

20 (d) "Compensation" means salary or wages payable on a
21 regular payroll by the State Treasurer on a warrant of the
22 State Comptroller out of any State, trust or federal fund, or
23 by the Governor of the State through a disbursing officer of
24 the State out of a trust or out of federal funds, or by any
25 Department out of State, trust, federal or other funds held
26 by the State Treasurer or the Department, to any person for
27 personal services currently performed, and ordinary or
28 accidental disability benefits under Articles 2, 14, 15
29 (including ordinary or accidental disability benefits under
30 the optional retirement program established under Section
31 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
32 Article 18 of the Illinois Pension Code, for disability
33 incurred after January 1, 1966, or benefits payable under the
34 Workers' Compensation or Occupational Diseases Act or

1 benefits payable under a sick pay plan established in
2 accordance with Section 36 of the State Finance Act.
3 "Compensation" also means salary or wages paid to an employee
4 of any qualified local government or qualified rehabilitation
5 facility or a qualified domestic violence shelter or service.

6 (e) "Commission" means the State Employees Group
7 Insurance Advisory Commission authorized by this Act.
8 Commencing July 1, 1984, "Commission" as used in this Act
9 means the Illinois Economic and Fiscal Commission as
10 established by the Legislative Commission Reorganization Act
11 of 1984.

12 (f) "Contributory", when referred to as contributory
13 coverage, shall mean optional coverages or benefits elected
14 by the member toward the cost of which such member makes
15 contribution, or which are funded in whole or in part through
16 the acceptance of a reduction in earnings or the foregoing of
17 an increase in earnings by an employee, as distinguished from
18 noncontributory coverage or benefits which are paid entirely
19 by the State of Illinois without reduction of the member's
20 salary.

21 (g) "Department" means any department, institution,
22 board, commission, officer, court or any agency of the State
23 government receiving appropriations and having power to
24 certify payrolls to the Comptroller authorizing payments of
25 salary and wages against such appropriations as are made by
26 the General Assembly from any State fund, or against trust
27 funds held by the State Treasurer and includes boards of
28 trustees of the retirement systems created by Articles 2, 14,
29 15, 16 and 18 of the Illinois Pension Code. "Department"
30 also includes the Illinois Comprehensive Health Insurance
31 Board, the Board of Examiners established under the Illinois
32 Public Accounting Act, and the Illinois Finance Authority
33 Rural-Bond-Bank.

34 (h) "Dependent", when the term is used in the context of

1 the health and life plan, means a member's spouse and any
2 unmarried child (1) from birth to age 19 including an adopted
3 child, a child who lives with the member from the time of the
4 filing of a petition for adoption until entry of an order of
5 adoption, a stepchild or recognized child who lives with the
6 member in a parent-child relationship, or a child who lives
7 with the member if such member is a court appointed guardian
8 of the child, or (2) age 19 to 23 enrolled as a full-time
9 student in any accredited school, financially dependent upon
10 the member, and eligible to be claimed as a dependent for
11 income tax purposes, or (3) age 19 or over who is mentally or
12 physically handicapped. For the health plan only, the term
13 "dependent" also includes any person enrolled prior to the
14 effective date of this Section who is dependent upon the
15 member to the extent that the member may claim such person as
16 a dependent for income tax deduction purposes; no other such
17 person may be enrolled. For the health plan only, the term
18 "dependent" also includes any person who has received after
19 June 30, 2000 an organ transplant and who is financially
20 dependent upon the member and eligible to be claimed as a
21 dependent for income tax purposes.

22 (i) "Director" means the Director of the Illinois
23 Department of Central Management Services.

24 (j) "Eligibility period" means the period of time a
25 member has to elect enrollment in programs or to select
26 benefits without regard to age, sex or health.

27 (k) "Employee" means and includes each officer or
28 employee in the service of a department who (1) receives his
29 compensation for service rendered to the department on a
30 warrant issued pursuant to a payroll certified by a
31 department or on a warrant or check issued and drawn by a
32 department upon a trust, federal or other fund or on a
33 warrant issued pursuant to a payroll certified by an elected
34 or duly appointed officer of the State or who receives

1 payment of the performance of personal services on a warrant
2 issued pursuant to a payroll certified by a Department and
3 drawn by the Comptroller upon the State Treasurer against
4 appropriations made by the General Assembly from any fund or
5 against trust funds held by the State Treasurer, and (2) is
6 employed full-time or part-time in a position normally
7 requiring actual performance of duty during not less than 1/2
8 of a normal work period, as established by the Director in
9 cooperation with each department, except that persons elected
10 by popular vote will be considered employees during the
11 entire term for which they are elected regardless of hours
12 devoted to the service of the State, and (3) except that
13 "employee" does not include any person who is not eligible by
14 reason of such person's employment to participate in one of
15 the State retirement systems under Articles 2, 14, 15 (either
16 the regular Article 15 system or the optional retirement
17 program established under Section 15-158.2) or 18, or under
18 paragraph (2), (3), or (5) of Section 16-106, of the Illinois
19 Pension Code, but such term does include persons who are
20 employed during the 6 month qualifying period under Article
21 14 of the Illinois Pension Code. Such term also includes any
22 person who (1) after January 1, 1966, is receiving ordinary
23 or accidental disability benefits under Articles 2, 14, 15
24 (including ordinary or accidental disability benefits under
25 the optional retirement program established under Section
26 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
27 Article 18 of the Illinois Pension Code, for disability
28 incurred after January 1, 1966, (2) receives total permanent
29 or total temporary disability under the Workers' Compensation
30 Act or Occupational Disease Act as a result of injuries
31 sustained or illness contracted in the course of employment
32 with the State of Illinois, or (3) is not otherwise covered
33 under this Act and has retired as a participating member
34 under Article 2 of the Illinois Pension Code but is

1 ineligible for the retirement annuity under Section 2-119 of
2 the Illinois Pension Code. However, a person who satisfies
3 the criteria of the foregoing definition of "employee" except
4 that such person is made ineligible to participate in the
5 State Universities Retirement System by clause (4) of
6 subsection (a) of Section 15-107 of the Illinois Pension Code
7 is also an "employee" for the purposes of this Act.
8 "Employee" also includes any person receiving or eligible for
9 benefits under a sick pay plan established in accordance with
10 Section 36 of the State Finance Act. "Employee" also includes
11 each officer or employee in the service of a qualified local
12 government, including persons appointed as trustees of
13 sanitary districts regardless of hours devoted to the service
14 of the sanitary district, and each employee in the service of
15 a qualified rehabilitation facility and each full-time
16 employee in the service of a qualified domestic violence
17 shelter or service, as determined according to rules
18 promulgated by the Director.

19 (l) "Member" means an employee, annuitant, retired
20 employee or survivor.

21 (m) "Optional coverages or benefits" means those
22 coverages or benefits available to the member on his or her
23 voluntary election, and at his or her own expense.

24 (n) "Program" means the group life insurance, health
25 benefits and other employee benefits designed and contracted
26 for by the Director under this Act.

27 (o) "Health plan" means a health benefits program
28 offered by the State of Illinois for persons eligible for the
29 plan.

30 (p) "Retired employee" means any person who would be an
31 annuitant as that term is defined herein but for the fact
32 that such person retired prior to January 1, 1966. Such term
33 also includes any person formerly employed by the University
34 of Illinois in the Cooperative Extension Service who would be

1 an annuitant but for the fact that such person was made
2 ineligible to participate in the State Universities
3 Retirement System by clause (4) of subsection (a) of Section
4 15-107 of the Illinois Pension Code.

5 (q) "Survivor" means a person receiving an annuity as a
6 survivor of an employee or of an annuitant. "Survivor" also
7 includes: (1) the surviving dependent of a person who
8 satisfies the definition of "employee" except that such
9 person is made ineligible to participate in the State
10 Universities Retirement System by clause (4) of subsection
11 (a) of Section 15-107 of the Illinois Pension Code; and (2)
12 the surviving dependent of any person formerly employed by
13 the University of Illinois in the Cooperative Extension
14 Service who would be an annuitant except for the fact that
15 such person was made ineligible to participate in the State
16 Universities Retirement System by clause (4) of subsection
17 (a) of Section 15-107 of the Illinois Pension Code.

18 (q-5) "New SERS survivor" means a survivor, as defined
19 in subsection (q), whose annuity is paid under Article 14 of
20 the Illinois Pension Code and is based on the death of (i) an
21 employee whose death occurs on or after January 1, 1998, or
22 (ii) a new SERS annuitant as defined in subsection (b-5).

23 (q-6) "New SURS survivor" means a survivor, as defined
24 in subsection (q), whose annuity is paid under Article 15 of
25 the Illinois Pension Code and is based on the death of (i) an
26 employee whose death occurs on or after January 1, 1998, or
27 (ii) a new SURS annuitant as defined in subsection (b-6).

28 (q-7) "New TRS State survivor" means a survivor, as
29 defined in subsection (q), whose annuity is paid under
30 Article 16 of the Illinois Pension Code and is based on the
31 death of (i) an employee who is a teacher as defined in
32 paragraph (2), (3), or (5) of Section 16-106 of that Code and
33 whose death occurs on or after July 1, 1998, or (ii) a new
34 TRS State annuitant as defined in subsection (b-7).

1 (r) "Medical services" means the services provided
2 within the scope of their licenses by practitioners in all
3 categories licensed under the Medical Practice Act of 1987.

4 (s) "Unit of local government" means any county,
5 municipality, township, school district (including a
6 combination of school districts under the Intergovernmental
7 Cooperation Act), special district or other unit, designated
8 as a unit of local government by law, which exercises limited
9 governmental powers or powers in respect to limited
10 governmental subjects, any not-for-profit association with a
11 membership that primarily includes townships and township
12 officials, that has duties that include provision of research
13 service, dissemination of information, and other acts for the
14 purpose of improving township government, and that is funded
15 wholly or partly in accordance with Section 85-15 of the
16 Township Code; any not-for-profit corporation or association,
17 with a membership consisting primarily of municipalities,
18 that operates its own utility system, and provides research,
19 training, dissemination of information, or other acts to
20 promote cooperation between and among municipalities that
21 provide utility services and for the advancement of the goals
22 and purposes of its membership; the Southern Illinois
23 Collegiate Common Market, which is a consortium of higher
24 education institutions in Southern Illinois; and the Illinois
25 Association of Park Districts. "Qualified local government"
26 means a unit of local government approved by the Director and
27 participating in a program created under subsection (i) of
28 Section 10 of this Act.

29 (t) "Qualified rehabilitation facility" means any
30 not-for-profit organization that is accredited by the
31 Commission on Accreditation of Rehabilitation Facilities or
32 certified by the Department of Human Services (as successor
33 to the Department of Mental Health and Developmental
34 Disabilities) to provide services to persons with

1 disabilities and which receives funds from the State of
2 Illinois for providing those services, approved by the
3 Director and participating in a program created under
4 subsection (j) of Section 10 of this Act.

5 (u) "Qualified domestic violence shelter or service"
6 means any Illinois domestic violence shelter or service and
7 its administrative offices funded by the Department of Human
8 Services (as successor to the Illinois Department of Public
9 Aid), approved by the Director and participating in a program
10 created under subsection (k) of Section 10.

11 (v) "TRS benefit recipient" means a person who:

12 (1) is not a "member" as defined in this Section;
13 and

14 (2) is receiving a monthly benefit or retirement
15 annuity under Article 16 of the Illinois Pension Code;
16 and

17 (3) either (i) has at least 8 years of creditable
18 service under Article 16 of the Illinois Pension Code, or
19 (ii) was enrolled in the health insurance program offered
20 under that Article on January 1, 1996, or (iii) is the
21 survivor of a benefit recipient who had at least 8 years
22 of creditable service under Article 16 of the Illinois
23 Pension Code or was enrolled in the health insurance
24 program offered under that Article on the effective date
25 of this amendatory Act of 1995, or (iv) is a recipient or
26 survivor of a recipient of a disability benefit under
27 Article 16 of the Illinois Pension Code.

28 (w) "TRS dependent beneficiary" means a person who:

29 (1) is not a "member" or "dependent" as defined in
30 this Section; and

31 (2) is a TRS benefit recipient's: (A) spouse, (B)
32 dependent parent who is receiving at least half of his or
33 her support from the TRS benefit recipient, or (C)
34 unmarried natural or adopted child who is (i) under age

1 19, or (ii) enrolled as a full-time student in an
2 accredited school, financially dependent upon the TRS
3 benefit recipient, eligible to be claimed as a dependent
4 for income tax purposes, and either is under age 24 or
5 was, on January 1, 1996, participating as a dependent
6 beneficiary in the health insurance program offered under
7 Article 16 of the Illinois Pension Code, or (iii) age 19
8 or over who is mentally or physically handicapped.

9 (x) "Military leave with pay and benefits" refers to
10 individuals in basic training for reserves, special/advanced
11 training, annual training, emergency call up, or activation
12 by the President of the United States with approved pay and
13 benefits.

14 (y) "Military leave without pay and benefits" refers to
15 individuals who enlist for active duty in a regular component
16 of the U.S. Armed Forces or other duty not specified or
17 authorized under military leave with pay and benefits.

18 (z) "Community college benefit recipient" means a person
19 who:

20 (1) is not a "member" as defined in this Section;

21 and

22 (2) is receiving a monthly survivor's annuity or
23 retirement annuity under Article 15 of the Illinois
24 Pension Code; and

25 (3) either (i) was a full-time employee of a
26 community college district or an association of community
27 college boards created under the Public Community College
28 Act (other than an employee whose last employer under
29 Article 15 of the Illinois Pension Code was a community
30 college district subject to Article VII of the Public
31 Community College Act) and was eligible to participate in
32 a group health benefit plan as an employee during the
33 time of employment with a community college district
34 (other than a community college district subject to

1 Article VII of the Public Community College Act) or an
2 association of community college boards, or (ii) is the
3 survivor of a person described in item (i).

4 (aa) "Community college dependent beneficiary" means a
5 person who:

6 (1) is not a "member" or "dependent" as defined in
7 this Section; and

8 (2) is a community college benefit recipient's: (A)
9 spouse, (B) dependent parent who is receiving at least
10 half of his or her support from the community college
11 benefit recipient, or (C) unmarried natural or adopted
12 child who is (i) under age 19, or (ii) enrolled as a
13 full-time student in an accredited school, financially
14 dependent upon the community college benefit recipient,
15 eligible to be claimed as a dependent for income tax
16 purposes and under age 23, or (iii) age 19 or over and
17 mentally or physically handicapped.

18 (Source: P.A. 91-390, eff. 7-30-99; 91-395, eff. 7-30-99;
19 91-617, eff. 8-19-99; 92-16, eff. 6-28-01; 92-186, eff.
20 1-1-02; 92-204, eff. 8-1-01; 92-651, eff. 7-11-02.)

21 Section 890-43. The Build Illinois Act is amended by
22 changing Section 8-3 as follows:

23 (30 ILCS 750/8-3) (from Ch. 127, par. 2708-3)

24 Sec. 8-3. Powers of the Department. The Department has
25 the power to:

26 (a) provide business development public infrastructure
27 loans or grants from appropriations from the Build Illinois
28 Bond Fund, the Build Illinois Purposes Fund, the Fund for
29 Illinois' Future, and the Public Infrastructure Construction
30 Loan Fund to local governments to provide or improve a
31 community's public infrastructure so as to create or retain
32 private sector jobs pursuant to the provisions of this

1 Article;

2 (b) provide affordable financing of public
3 infrastructure loans and grants to, or on behalf of, local
4 governments, local public entities, medical facilities, and
5 public health clinics from appropriations from the Public
6 Infrastructure Construction Loan Fund for the purpose of
7 assisting with the financing, or application and access to
8 financing, of a community's public infrastructure necessary
9 to health, safety, and economic development;

10 (c) enter into agreements, accept funds or grants, and
11 engage in cooperation with agencies of the federal
12 government, or state or local governments to carry out the
13 purposes of this Article, and to use funds appropriated
14 pursuant to this Article to participate in federal
15 infrastructure loan and grant programs upon such terms and
16 conditions as may be established by the federal government;

17 (d) establish application, notification, contract, and
18 other procedures, rules, or regulations deemed necessary and
19 appropriate to carry out the provisions of this Article;

20 (e) coordinate assistance under this program with
21 activities of the Illinois Development Finance Authority in
22 order to maximize the effectiveness and efficiency of State
23 development programs;

24 (f) coordinate assistance under the Affordable Financing
25 of Public Infrastructure Loan and Grant Program with the
26 activities of the Illinois Development Finance Authority,
27 Illinois Finance Authority Rural--Bond--Bank, Illinois Farm
28 Development Authority, Illinois Housing Development
29 Authority, Illinois Environmental Protection Agency, and
30 other federal and State programs and entities providing
31 financing assistance to communities for public health,
32 safety, and economic development infrastructure;

33 (f-5) provide staff, administration, and related support
34 required to manage the programs authorized under this Article

1 and pay for the staffing, administration, and related support
2 from the Public Infrastructure Construction Loan Revolving
3 Fund;

4 (g) exercise such other powers as are necessary or
5 incidental to the foregoing.

6 (Source: P.A. 90-454, eff. 8-16-97; 91-34, eff. 7-1-99.)

7 Section 890-44. The Illinois Pension Code is amended by
8 changing Section 14-103.04 as follows:

9 (40 ILCS 5/14-103.04) (from Ch. 108 1/2, par. 14-103.04)

10 Sec. 14-103.04. Department. "Department": Any
11 department, institution, board, commission, officer, court,
12 or any agency of the State having power to certify payrolls
13 to the State Comptroller authorizing payments of salary or
14 wages against State appropriations, or against trust funds
15 held by the State Treasurer, except those departments
16 included under the term "employer" in the State Universities
17 Retirement System. "Department" includes the Illinois
18 Development Finance Authority. "Department" also includes
19 the Illinois Comprehensive Health Insurance Board and the
20 Illinois Finance Authority Rural-Bond-Bank.

21 (Source: P.A. 90-511, eff. 8-22-97.)

22 Section 890-90. The following Acts are repealed:

23 (20 ILCS 3505/Act rep.)

24 The Illinois Development Finance Authority Act.

25 (20 ILCS 3605/Act rep.)

26 The Illinois Farm Development Act.

27 (20 ILCS 3705/Act rep.)

28 The Illinois Health Facilities Authority Act.

1 (20 ILCS 3850/Act rep.)
2 The Illinois Research Park Authority Act.

3 (30 ILCS 360/Act rep.)
4 The Rural Bond Bank Act.

5 (110 ILCS 1015/Act rep.)
6 The Illinois Educational Facilities Authority Act.

7 (315 ILCS 15/Act rep.)
8 The Illinois Community Development Finance Corporation
9 Act.

10 ARTICLE 999

11 Section 999-99. Effective date. This Act takes effect
12 upon becoming law, except that Articles 801 through 890 take
13 effect on January 1, 2004."